



Daily Report

China

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Daily Report

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7 June 1990

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General

Foreign Ministry Holds Weekly News Briefing

No Government-Level Ties With ROK

OW0706133890 Tokyo KYODO in English 1311 GMT
7 Jun 90

[Text] Beijing, June 7 KYODO—China indicated on Thursday that it has no interest in forging government-level ties with South Korea, responding coolly to South Korean President No Tae-u's desire for improved bilateral relations.

Foreign Ministry Spokeswoman Li Jinhua told a regularly scheduled press conference, "We will not have government-level relations with South Korea," reaffirming Beijing's commitment to its East Asian ally North Korea.

No, who had successful meetings this week with Kremlin leader Mikhail Gorbachev and U.S. President George Bush, said in Washington that he hoped for improved relations with China.

No's meeting with Gorbachev on Monday was hailed in many corners as a major step in establishing full diplomatic relations between South Korea and the Soviet Union, but was met with sharp criticism in Pyongyang.

Beijing, perhaps seeking to avoid further upsetting North Korea, reconfirmed with its remarks Thursday that it would keep its relations with Seoul on a private level. China watchers in South Korea suggest that plans for high-level talks may have to wait.

South Korea, behind No's "nordpolitik (northern policy)," has moved swiftly since the 1988 Seoul Olympics to establish ties with the Soviet Union, China, and East European nations—a strategy to enhance economic cooperation with the one-time communist bloc and encourage the relief of Cold War tensions on the Korean peninsula.

According to one South Korean source, about 10 South Korean firms already have offices in China with other economic interests also seeking to establish ties in Beijing.

Beijing, hoping to stage a successful Asian Games this fall, recognizes the importance of South Korea and has allotted the nation with which it has no diplomatic ties 12,000 of the 20,000 tickets for the opening ceremonies.

South Korean automakers have also donated 300 automobiles to the Asiad Organizing Committee.

No has even indicated a desire to attend the opening festivities, but here again Beijing sources are quick to deny that possibility, saying that it may be difficult if an important personage from Pyongyang would also seek to attend the Asian Games curtain-raiser.

Stresses Need for Cambodia Cease-Fire

OW0706133290 Beijing XINHUA Domestic Service
in Chinese 1004 GMT 7 Jun 90

["Chinese Foreign Ministry Spokeswoman on Cambodian Question"—XINHUA headline]

[Text] Beijing, June 7 (XINHUA)—A Chinese Foreign Ministry spokeswoman said here today that China has consistently held that a cease-fire is a component part of a comprehensive political settlement of the Cambodian question and any plans should be agreed to by the four parties of Cambodia before they can be implemented effectively.

The spokeswoman made the remarks when asked to comment on a joint communique recently signed by Prince Norodom Sihanouk and Hun Sen in Tokyo.

'Concerned' About Australian Decision

OW0706094490 Beijing XINHUA in English
0933 GMT 7 Jun 90

[Text] Beijing, June 7 (XINHUA)—The Australian Government has no reason to extend the stay of the Chinese students in Australia, Li Jinhua, a Chinese Foreign Ministry spokeswoman said here today.

She said the Chinese Government is concerned about the action taken by the Australian Government.

The Chinese Government has always taken good care of students, she said. "Our policy toward students studying abroad who said or did extreme things is leniency, education and unity," she added.

According to the educational exchange program between China and Australia, she said, the Australian Government is responsible to urge the Chinese students to return home after they have finished study there.

"We hope that the Australian Government will not do anything that is detrimental to the educational exchanges between the two countries," she said.

Views 'Illegal News Coverage'

HK0706123690 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1146 GMT 7 Jun 90

[Report: "Li Jinhua Says So Long As Foreign Reporters Based in Beijing Abide by Chinese Law, Their Safety Will Be Guaranteed"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 7 Jun (ZHONGGUO TONGXUN SHE)—In response to a question by a foreign reporter at a press briefing here today, Chinese Foreign Ministry spokesman Li Jinhua said that so long as foreign reporters based in Beijing abide by Chinese laws and regulations, their safety will be guaranteed and unhappy incidents can be avoided.

At the press briefing held this afternoon, Li emphatically pointed out that a handful of foreign reporters have violated the stipulations of the State Council regarding management of foreign reporters and permanent foreign press agencies and carried out illegal news coverage. Some of them maintained contacts and even collaborated with the Chinese who plotted illegal activities. Their conduct does not conform to their capacity as reporters and is therefore not permitted by the Chinese Government.

We have grounds to say that a handful of foreign reporters are engaged in illegal news coverage and have carried out activities incompatible with their profession, Li Jinhua said. They know clearly that they have violated Chinese regulations, carried out illegal news coverage, and engaged in activities incompatible with their capacity as reporters.

Regarding the letter of protest by the Foreign Correspondents Club based in Beijing to the Chinese Foreign Ministry, Li Jinhua said we cannot accept your groundless letter of protest.

Warns Foreign Reporters

HK0706121290 Hong Kong AFP in English 1155 GMT 7 Jun 90

[Text] Beijing, June 7 (AFP)—A Chinese Foreign Ministry spokeswoman again warned foreign reporters Thursday against what she called "illegal activities" and refused to condemn recent cases of police brutality against journalists.

Spokeswoman Li Jinhua's comments came at a particularly stormy press conference where she was deluged by questions about the obstacles and violence encountered by journalists trying to cover the first anniversary of the bloody June 4 crackdown on the pro-democracy movement.

Ms Li, speaking in an increasingly curt tone, would only repeat charges made earlier in the week by her ministry.

"I want to stress that there are some foreign correspondents who have violated the regulations...by conducting illegal press coverage," she said.

"Some even had connections with these people who engineered illegal activities, and have done something incompatible with their status as journalists. This is something we cannot allow."

In particular, she scolded reporters for failing to obtain official approval before going to Beijing University campus, where student protests marked the anniversary.

The reporters countered that several of them had been beaten on a city street outside the campus, which they never entered.

"What we said actually was based on facts," she said, while refusing to furnish any further details or name the allegedly guilty parties.

"I can tell you (that) so long as foreign correspondents stick to their ethical codes and abide by the laws and regulations of China, there will be no unpleasant things and their security will be guaranteed," she said.

"We never threatened any correspondent."

Asked why the Foreign Ministry had rejected out of hand a protest letter submitted a day before by the Foreign Correspondents Club, Ms Li said: "Your letter of protest is utterly unreasonable and simply cannot be accepted."

Announces Visit of Burkinabe Minister

OW0706080090 Beijing XINHUA in English 0730 GMT 7 Jun 90

[Text] Beijing, June 7 (XINHUA)—Minister of External Relations of Burkina Faso Prosper Vokouma will pay an official visit to China from June 12 to 17 at the invitation of Chinese Foreign Minister Qian Qichen, Chinese Foreign Ministry Spokeswoman Li Jinhua announced at a news briefing here today.

U.S.-Soviet Summit Produces Results, Differences

Commentary Views Outcome

HK0606112390 Beijing RENMIN RIBAO in Chinese 5 Jun 90 p 4

["Commentary" by staff reporter Zhang Qixin (1728 0796 2500): "There Are Results as Well as Differences—on the U.S.-Soviet Washington Summit"]

[Text] Washington 3 Jun—Soviet President Mikhail S. Gorbachev and U.S. President George Bush held a four-day summit, during which three joint statements on arms control and bilateral economic and cultural relations were published, along with the initialing of a dozen or so accords. The two leaders also exchanged views extensively on a series of issues concerning Europe, German unification, and other areas. From the two sides' assessment of the recent summit, there are ample results as well as great differences. According to public opinion here, "the cordial atmosphere could in no way conceal existing problems between the two sides." Since Bush took office as U.S. President, the United States and the USSR have worked hard to further readjust their mutual relations, facing the changes in their internal and external situations on the basis of the relaxation surfacing in the late 1980s. At the Malta summit in December 1989, the two leaders proposed the goal of pushing forward progress in arms control talks and improving the economic relations and trade between the two countries. The recent summit showed that the two countries have made some marked progress in these two spheres.

Concerning arms control, an accord was reached on the basic essence of the treaty on cutting back strategic arms, which had been under negotiation for many years. Hopefully, the treaty will be initialed before the end of the year. The two leaders will meet once again in Moscow to initial this treaty. With the initialing of the said treaty,

the two countries will begin the second-phase talks on strategic weapons as soon as possible. An accord was also initialed on banning chemical weapons. The two sides are to promptly halt production of chemical weapons as soon as the accord becomes effective and to destroy, prior to the year 2020, the bulk of chemical weapons in their possession, while promising their eventual complete destruction. The two countries reaffirmed that they would exert efforts to accelerate talks on European conventional forces and strive for the initialing of a relevant treaty this year. With regard to economic relations, the most eye-catching accord of all initialed in the recent summit was the one on U.S.-Soviet trade. The initialing of the accord will pave the way for realizing the normalization of economic relations and trade between the two countries.

It is noted, however, that many differences remain between the two sides, even in spheres where accords have been reached. For example, the accord on strategic weapons will cut back 35 percent of U.S. and 50 percent of Soviet strategic weapons, respectively; however, there are differences in some of the clauses. As to the goal of the second-phase talks, nothing is clear about in what range they are to continue to reduce their nuclear arsenals, or the focus of the cutback with regard to the type of nuclear weapons concerned. As to European conventional forces, new problems have surfaced because of the changes in the European situation when no solution is found to existing major differences. The Soviet side stated that should an appropriate solution to the status of a unified Germany fail, with the balance of European forces affected, the USSR would have to reconsider its stand on European arms control. This foreshadows that European disarmament will not be plain sailing. On economic issues, the differences between the United States and the USSR are also obvious. Because of Gorbachev's efforts during the summit, the two sides eventually initialed a trade accord, but the clause on most-favored-nation status contained in that accord has all along met with resistance in U.S. political circles. The U.S. side stated that should the USSR fail to adopt a new emigration law, the U.S. side would not submit the trade accord to Congress for its approval. At the same time, U.S. officials repeatedly stated that should the USSR fail to meet some people's wishes in the United States in handling the Lithuanian issue, the trade accord would possibly be shelved. It seems that the development of U.S.-Soviet economic relations and trade will not be plain sailing, either.

The European and German issue was one of the major topics at the recent summit, and the focus of argument at that. The two sides said that they had deepened their understanding of the other's concepts after their talks, but their differences remain wide. In an outspoken manner, Gorbachev criticized the United States for the "rigidity" in its stand, while Bush stated that he would persist in his own ideas. The focus of their argument was whether or not a unified Germany should be a member of NATO. The United States is all for a unified Germany being a NATO

member, believing that this is the best guarantee for the security of all European countries, including the USSR, whereas the USSR's stand is that a unified Germany should be neutral or nonaligned, or simultaneously belong to the Warsaw Pact and NATO, and be eventually included in a certain "pan-European security structure." The USSR has recently proposed that Germany follow the "French pattern," namely, belonging to NATO politically, and refraining from being part of NATO military organs. Differences between the two sides were not dispelled at the recent summit. Although the two sides stated that external issues of German unification should be resolved through discussion by relevant countries, the differences between the United States and the USSR will beyond doubt affect the progress of the solution of the European issue from now on, and become an important issue in U.S.-Soviet relations.

The recent summit had its marked characteristics, compared with the Malta summit held six months ago. With the drastic changes in the European political situation, the European issue has occupied an increasingly important place in the world situation. This added complexity to U.S.-Soviet relations. While the several U.S.-Soviet summits focused more on arms control in their discussions in the late 1980s, the recent summit has given prominence to such new topics as German unification and the future of Europe. The recent summit has made great progress; however, the impact of the remaining differences on the future development of U.S.-Soviet relations should not be underestimated.

Correspondent Reviews Results

OW0606192890 *Beijing in English to North America*
0400 GMT 6 Jun 90

[Text] [Unidentified announcer] U.S. President George Bush and Soviet President Mikhail Gorbachev concluded their Washington summit on Sunday [3 June]. For a review of what the summit achieved and what it didn't achieve, here is our Washington correspondent Chen Denong:

[Chen Denong] The results of the summit show that the two superpowers have become closer to agreement on reducing cold war arsenals. The U.S.-Soviet Chemical Weapons Destruction Agreement calls for the destruction of the first bulk of the two countries' declared chemical weapon stockpiles, with on-site inspection to confirm that destruction has taken place. Discussion will begin in 1992 and will proceed until both sides reach a declared a stockpile of 5,000 tons—about 20 percent of the existing U.S. stockpile level.

The two presidents issued a joint statement recalling major agreed provisions of the Strategic Arms Reduction Treaty [START]. The statement outlines the framework of the START Treaty that would make the first actual cut in a number of nuclear warheads that each side has put into ballistic missiles, nuclear bombs dropped by aircraft, and the jet-propelled, pilotless weapons known as

cruise missiles. However, the statement (?does admit) that two sides have not been able to resolve several important issues.

These disputes involve American demand for further limit on the production of the Soviet Union's SS-18's, its biggest intercontinental missiles, questions about the treaty's handling of mobile launchers for intercontinental missiles, and on missiles that carry more than one nuclear charge.

Further negotiations by the two sides are expected in the coming months to work out a draft treaty for signature by the end of this year.

The major difference between the United States and the Soviet Union lies in their positions toward the future of a united Germany. The United States and other Western countries say a united Germany should be part of NATO, while the Soviet side wants Germany's future to be overseen by an all-European council.

President Gorbachev made it clear that he did not oppose an American military presence in Europe, but did not want NATO to be the preeminent security force in Europe.

A senior Soviet official told the press that the Soviet position is to talk about building an all-European security system and casting the issue of German unification, its external aspect, within the context of that larger European framework.

The Soviets propose shifting the security functions of NATO to the 35-nation conference on security and cooperation in Europe which would negate U.S. insistence on a German military role in NATO.

THE NEW YORK TIMES pointed out that a protracted debate about the contentious views of a new Europe now seems highly likely. Failure to bridge their differences could impede the progress in the negotiation in Vienna on conventional forces and delay the 35-nation conference on security and cooperation in Europe now scheduled to take place later this year in Paris.

Summit's 'Declining' Influence Noted

HK0606103490 Hong Kong HSIN WAN PAO
in Chinese 6 Jun 90 p 1

["New Talk" column: "Importance of U.S.-Soviet Summit Declines"]

[Text] Having wound up his five-day visit to the United States, including his four-day talks with U.S. President Bush, Soviet President Gorbachev left San Francisco and returned directly to Moscow. The scheduled Kamchatka Peninsula trip was canceled. On his way home, he sent a message to Bush from on board his special plane, stating that the talks were successful.

Prior to this summit, different countries had aired their different views. Some people said this would be Gorbachev's last summit because his fate would be in the balance when he returned home. Those who are less

pessimistic said this would be the last summit between the two superpowers—the United States and the Soviet Union—because the influence of both countries is declining, and any U.S.-Soviet summit in the future would merely be one of the many kinds of talks in this world and would no longer have any predominant impact on the general world situation.

As to the specific outcome of this latest summit between Gorbachev and Bush, the two presidents have signed some agreements. But it is undeniable that for the time being the two sides can hardly make any breakthrough in quite a few issues (especially the new problems and those arising from the new situation in the world).

Apart from the conclusion of the agreement on reduction in strategic nuclear weapons and the agreement on the destruction of chemical weapons, the two countries have also expressed their hope of strengthening economic ties—they have signed a trade agreement with a view to increasing contact and encouraging U.S. businessmen to invest in the Soviet Union. But, in the meantime, Bush has refused to grant the most-favored-nation status to the Soviet Union, and, what is more, reports from the U.S. Congress say that if Moscow refuses to pull back its sanctions against Lithuania, Congress would not ratify the trade agreement. This indicates that many problems are still unsettled. By the way, if the Soviet economy is to be internationalized, the legal exchange of the ruble will be a key issue. But this has not been put on the agenda of the summit after all.

The United States has, on the one hand, urged the Soviet Union by various means to open its economy and, on the other hand, give indirect support to the Soviet Union in its efforts to develop a market economy, in the hope that the Soviet Union will not shrink back from Gorbachev's reform. The United States is playing dual tactics.

The issue that has been discussed but left unsettled during the summit is the identity and status of a unified Germany. This was one of the five items on the agenda that Gorbachev presented to his U.S. counterpart. But obviously no progress has been made in the discussion on this issue. Bush is still insisting on two points: first, the unified Germany should remain within the NATO; and second, the United States, as a NATO member, will continue to deploy its troops in Europe with a view to "safeguarding peace in Europe." Gorbachev, on his part, declared that such an arrangement gives no consideration to the security of the Soviet Union. In this connection, he demanded that the 35-nation CSCE expand its functions so that it would be able to replace the Warsaw Pact and NATO, which would be disbanded simultaneously as suggested, and thus the issue concerning the future status of Germany would be resolved imperceptibly.

The German issue was raised on the first day of the official talks this time. But no agreement was reached until the end of the unofficial talks at Camp David on the fourth day. Anyway, the two sides have decided that a regular summit will be held every year in the future.

This is a new arrangement regarding the U.S.-Soviet relations that actually can be linked with the new situation in Europe these days. Now that the influence of both the United States and the Soviet Union is declining, they have to consider some compromise while keeping on contending.

After his U.S. trip, Gorbachev will have to face a mass of knotty problems at home, which are perhaps still more sensational.

Differences in U.S.-Soviet Relations Assessed

HK0706114990 Beijing SHIJIE ZHISHI in Chinese
No 10, 16 May 90 pp 14-15

[Article by Li Qinggong (2621 1987 0501): "Disturbing Factors Underneath the Relaxation of U.S.-Soviet Relations"]

[Text] A close look at the development of U.S.-Soviet relations over the past month or so may bring it into light that along with the general tendency of relaxation, the momentum of their mutual compromise and concession has slightly subsided and their differences and disputes have mounted. This is probably because the United States is more worried about the increase in uncertainties in the Soviet political situation; or because the conflict of strategic interests between the two countries is overtaking the common ground of their political interests; or because both countries deem it tactically necessary to maintain a low-key attitude before the summit meeting starts. All this gives one much food for thought. But what we can be sure of is that the internal and external predicament facing the Soviet Union is in direct proportion to the doubts of the United States and in inverse proportion to the progress of U.S.-Soviet relations.

Information from different sources has indicated that the differences and disputes between the United States and the Soviet Union are seen in the following respects.

The future of Europe. On this issue, these two countries have fundamental differences in terms of strategic intentions. Based on his brainchild, the "political new thinking," Gorbachev proposed the notion of "All-European Mansion." Recently, he suggested "building a unitary Europe" as a replacement of the confrontation between the NATO and the Warsaw Pact. His purpose is to win a relatively stable environment with a "peaceful offensive" so as to ensure the success of domestic political and economic reform and the speeding up of strategic development; and to promote the neutralization of West Europe, disintegrate the NATO, squeeze out the U.S. influence, and then strive to take control of the whole of Europe with its geographical advantage. In early April, Soviet Foreign Minister Shevardnadze proposed, at his meeting with U.S. Secretary of State Baker, to set up an "All-European Committee" as a transition to the realization of the "All-European Mansion" proposal.

Bush, however, has been advocating a "unified, free Europe." Taking advantage of the current problems

facing the Soviet Union and East European countries, he aims to endorse Western value judgments, draw these countries close to the West with economic assistance as a bait, make them "merge into the free world" eventually, and place the whole of Europe under the control and influence of the United States. The U.S.-Soviet strife in Europe is the contention for future control over Europe as a whole, and the focus of their differences and disputes lies on the issue concerning the nature, function, and retaining or disbandment of the NATO and Warsaw Pact.

Reforms in East Europe. The U.S.-Soviet differences and disputes on this issue are mainly seen in the choice of policy. Strategically speaking, the United States expects a "peaceful evolution" in East European countries. To this end, it formulates new policies to step up, with its strength, political and economic infiltration into East Europe on the one hand and, on the other, acts with prudence to prevent any reversal in East Europe that may harm its interests. In tactics, it lays more stress on "soft attacks" by economic, ideological, cultural, and social means and turns away from its former differential treatment of East European countries according to their attitudes toward the Soviet Union to judging them according to how well they have done in "liberalization" and "human rights."

The drastic changes in East Europe caused worries to the Soviet Union, but no fear, because letting East Europe go is, in a sense, a card it has played for the United States and West Europe to take. The purpose is threefold: First, to tone down the hostility of West Europe toward the Soviet Union; second, to get rid of its economic burden in East Europe; third, to force the United States to cooperate on East Europe issue and to add to its bargaining counters in other deals with the United States.

German reunification. It is a long time since the dispute between the United States and the Soviet Union on this question began, but it developed into a major difference by the end of last year. The United States insists that the prospective unified Germany will remain a member state of the NATO. For this purpose, the United States has suggested "turning the NATO into an alliance with more political, less military, colors," "allowing the Soviet Union to station its army on the former GDR territory during the transition period," "making unequivocal promises to the Soviet Union about the weaponry and military deployment of the unified Germany," and "not extending the influence of the NATO to the east part of Germany," in the hope that the Soviet Union would make a choice that is in line with what the United States has expected.

The Soviet Union has been insisting that "unified Germany should not stay with the NATO." Recently, it put forward a new suggestion that "unified Germany should be a member state of both the NATO and the Warsaw Pact" and continued to emphasize that "Germany should eventually become neutral." The United States and the NATO flatly turned down this suggestion.

Disarmament. Though both the United States and the Soviet Union expressed their wish to conclude a disarmament treaty at this year's summit meeting, they still have very serious differences and disputes on this issue.

Through talks on conventional arms reduction in Europe, the United States and the Soviet Union are converging in their views on the amount of troops and the definition and quota of arms to be reduced, but they still differ on matters such as precautionary measures, restraint on maneuvers and deployment of troops, control over mobilization capacity, and the security setup of entire Europe. Talks on reduction of navy forces on European waters have not been extricated from the deadlock. To make it worse, the Soviet Union has recently suggested combining conventional arms reduction in Europe with the issue of German reunification.

In discussing strategic arms reduction, the United States and the Soviet Union have a serious divergence of views on air-launched or sea-launched cruise missiles. For the former, the United States suggests controlling long-range ones alone, not the short-range ones which are a threat to the air defense system of the Soviet Union, who insists that control over short-range ones be included in the agreement. As for sea-launched cruise missiles, the Soviet Union wishes that only long-range ones equipped with conventional or nuclear warheads will be listed for reduction whereas the United States thinks it is the short-range ones with nuclear warheads that should be reduced. The Soviet Union presses the United States to agree that second-phase talks on strategic arms reduction will be held immediately after an agreement is concluded for the first-phase talks, but the latter would rather do this after the Senate approves the agreement and its implementation starts. The United States also suggests bringing the ban on multiple warhead mobile missiles to strategic arms reduction talks, but the Soviet Union refuses to accept any new issue raised by the United States at so late a stage. On space weapons, the difference is even wider.

The issue of Lithuania. Domestic political turmoil and nationality conflicts in the Soviet Union have always been a major obstacle to the development of U.S.-Soviet relations, and have recently become the focus of all their differences and disputes. The issue of Lithuania is most outstanding. The Soviet Union has adopted a tough policy toward Lithuania's recent gesture for independence, actively mustering troops on the one hand and imposing economic sanctions on the other. This attitude has greatly irritated the United States. The Bush administration has clearly stated that they "would like to see the three Baltic republics, Lithuania, Latvia, and Estonia, become independent countries like Finland," and suggests that "Lithuania should go independent after peacefully negotiating with Moscow." At the same time, the United States warns the Soviet Union that "the question of Lithuania is undoubtedly the greatest threat to our relations," that use of force will "derail" the coming U.S.-Soviet summit meeting and "consequently threaten the thawing relationship between the East and

the West, and that "on no account shall we ignore it." Nevertheless, the present developments show that both sides are steering a cautious cause in practice as they have to consider leaving some room for maneuver for future talks.

These developments in U.S.-Soviet relations found best expression in the bilateral talk at the foreign minister level held in Washington early April. During the three-day talk, the two sides fixed a date for the summit meeting, "narrowed the differences between the two on issues ranging from Afghanistan to the Korean peninsula," and discussed the basis for "establishing a cold war-free Europe," but they failed to reach a consensus on major issues such as treaty of strategic arms reduction, military position of the prospective unified Germany, and Lithuania. The West has vividly dubbed this talk one that "sought common ground on minor issues while reserving differences on major ones."

In short, when the general tendency of relaxation of U.S.-Soviet relations comes into sight, it is also evident that their differences and disputes are still there, and intensifying, which will have a negative impact on the development of bilateral relations. If no effective solution is worked out at the summit meeting, it will be indeed doubtful whether a disarmament agreement can be reached and whether the United States will readily offer economic benefits to the Soviet Union.

New Developments on Korean Peninsula Viewed

HK0606034690 Hong Kong TA KUNG PAO in Chinese
6 Jun 90 p 2

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "There Will Be New Changes in the Korean Peninsula Situation"]

[Text] At 0700 yesterday morning, South Korean "President" No Tae-u had a one-hour talk with Soviet President Gorbachev in the Fairmount Hotel in San Francisco. Although the time was short, it was a great event in the northeast Asian region in the more than 40 years since the War, and since the founding South Korea. Its influence on the Asian-Pacific region and the world in the future cannot be ignored.

The Soviet Union and South Korea have not yet established diplomatic relations. However, the heads of two countries without formal diplomatic relations have held talks in a third country to directly discuss matters concerning the establishment of diplomatic relations and economic cooperation. This event itself is a *rara avis*. Its influence on the structure of the cold war and confrontation between the United States and the Soviet Union on the Korean Peninsula, will be hard to estimate. It may become a starting point for "cross recognition," that is, the United States, Japan, and other countries will recognize North Korea, and the Soviet Union and other East European countries will recognize South Korea.

The talk showed that the world situation is constantly changing. The trend of relaxation has developed from Europe to Asia. If the countries and regions in the Asian-Pacific region do not look this reality in the face, do not adopt appropriate measures as soon as possible, and do not recognize and adapt themselves to this trend, they can only make themselves isolated.

TASS only made a short report on the talks. But No Tae-u told reporters much about it. He said that Gorbachev and himself agreed: "It is time now for the tide of opening and reconciliation to surge over the Korean Peninsula." On the other hand, Gorbachev told reporters: "The Soviet Union and South Korea have some commercial contacts. That is why we decided to meet with No Tae-u."

The crux of these talks was that South Korea is willing to grant the Soviet Union \$5 billion in loans and carry out economic cooperation with the latter after establishing diplomatic relations. The Soviet Union is in urgent need of foreign economic aid. It particularly wants South Korea to invest in the development of Siberia. If the Soviet Union succeeds in attracting the investment of South Korea, things will become easier for it to get loans from Japan.

No Tae-u hopes that both South Korea and North Korea will become members of the United Nations. For this reason, he has to win over the Soviet Union and China. He proposed that South Korea, North Korea, the United States, the Soviet Union, China, and Japan hold a northeast Asia peace conference and establish a special organization. In a speech delivered in Krasnoyarsk in September 1988, Gorbachev also proposed that the above-mentioned five countries, except for the United States, hold a meeting to discuss the question of disarmament in the northeast Asian region. Therefore, we may say that the Soviet Union and South Korea have a certain common ground in their views on the current situation.

Since assuming power, No Tae-u has actively pursued a policy of "north diplomacy," hoping to establish economic and political relations with the Soviet Union, China, and East Europe. But this has been strongly opposed by Pyongyang. In view of its friendship with Pyongyang, China has so far limited its contacts with South Korea within the range of unofficial contracts.

What actions will Pyongyang take if the Soviet Union follows Hungary, Yugoslavia, and Poland and establishes formal diplomatic relations with Seoul? This is the focus of attention. Of course, Gorbachev may have predicted the possible "revenge" Pyongyang will take for this, but in order to have economic contacts with South Korea and to obtain its investment, the Soviet Union will take its own road despite all this.

In all fairness, everyone should be realistic in this world. For its own interests, a country may cooperate with one country today and with another tomorrow. Things are

always changing. For any country, there are no permanent enemies nor permanent friends. This has been fully proved by the changes in the relations among various countries, regions, and groups over the past 45 years since the War. All changes in a country's foreign policy in order to suit the changing situation are irreproachable, provided the interests of the people of this country, and the interests of the state and nation are placed above everything else. On the contrary, sticking to conventions, refusing to make progress, and the practice of dogmatism can only make oneself isolated.

The changes on the Korean Peninsula today, with the relaxation in the relations between Pyongyang and the United States, and the establishment of diplomatic relations between South Korea and the Soviet Union and other East European countries, will inevitably bring about a series of changes in the original political structure in northeast Asia. China and Japan, too, will pay close attention to this development.

UN Development Program To Aid Education

OW0606125190 Beijing XINHUA in English 1207
GMT 6 Jun 90

[Text] Beijing, June 6 (XINHUA)—The United Nations Development Program (UNDP) will provide China with 990,000 U.S. dollars for the training of management personnel in institutions of higher learning.

Herbert Behrstock, acting resident deputy representative of the UNDP, and Zhu Yuli, assistant minister of the State Education Commission, signed an agreement to this effect at the Beijing Hotel today [6 June].

Dr. H. Leo Teller, representative of the United Nations Educational, Scientific and Cultural Organization (UNESCO), and Long Yongtu, deputy director of the China International Center for Economic and Technical Exchanges (CICETE), also participated in the signing ceremony.

Zhu said China will improve its educational management at all levels so as to adapt its education to scientific, technological and economic developments in the next century.

At present, he said, China is preparing to establish a higher learning management institute and legal safeguards for China's education.

Behrstock said that, since the aid will be used for training management personnel, it will not only concern teachers and students, but will also affect management personnel throughout the country.

"I hope this small amount of aid will yield big results," he added.

Zhu said that China, through years of hard work, has formed a basic training network for educational management personnel.

He said the UNDP's aid will take the form of personnel training, introduction of library books and materials and advanced management expertise and approaches, as well as research into teaching materials.

To assist the training program, China has allotted some 50 million yuan (more than 10 million U.S. dollars) as support funds for the program, he noted.

USSR, East Europe Trade Fair Opens in Harbin

OW0606150690 Beijing XINHUA in English 1359
GMT 6 June 90

[Text] Harbin, June 6 (XINHUA)—The first China-Soviet Union and East Europe trade fair opened here today [6 June].

Representatives and businessmen from the Soviet Union, Bulgaria, the German Democratic Republic, Czechoslovakia, Hungary, Poland, Romania and Yugoslavia, as well as the Democratic People's Republic of Korea, attended the opening ceremony.

All Chinese provinces, autonomous regions, municipalities, big cities and special economic zones—except for Taiwan Province and the Tibet Autonomous Region—have sent delegations to the fair, which will close June 15.

Books for Young People Established in Beijing

OW0706063590 Beijing XINHUA in English 0532
GMT 7 Jun 90

[Text] Beijing, June 7 (XINHUA)—The Chinese branch of the International Board on Books for Young People (IBBY) was formally founded in Beijing yesterday, according to today's overseas edition of the PEOPLE'S DAILY.

Chairman of the IBBY Chinese branch is well-known children's writer Yan Wenjing.

The branch will support the development of Chinese literature and promote the exchange of children's readings and writers with other IBBY members in about 60 countries and co-publish books for youngsters as well, Yan said at the founding ceremony.

With nearly 100 member units, including writers' societies, publishing and distributing houses and children's literary researching institutions across the country, the branch will also engage in providing services for writers, translators, editors and publishers of children's books, Yan said.

China claimed its membership in 1986 of IBBY, a non-profit international association founded in 1953 in Switzerland.

Yuriko Momo, member of the IBBY Executive Committee, attended the ceremony.

United States & Canada

'Retrogression' in Ties Seen Over MFN

HK0606150190 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 23, 4 Jun 90 pp 26-27

["Special dispatch" by Qian Wenrong (6929 2429 2837): "A Major Matter Which Has a Bearing on Overall Sino-U.S. Relations"]

[Text] New York—Recently, relevant committees of the U.S. Congress have called a series of meetings for hearings and discussion on whether or not to extend most-favored-nation [MFN] status to China. On 24 May, President Bush officially made the proposal to renew China's MFN status for another year, the proposal being submitted to the Congress for deliberation before a decision to approve or reject it within 30 days. This issue has a bearing on the two countries' economic interests and will seriously affect overall Sino-U.S. relations; it has aroused the grave concern of people of all circles in the United States, as well as in the international community.

To promote the development of Sino-U.S. economic relations and trade, the two countries have extended MFN status to each other since 1980 based on the relevant agreement. The agreement has been smoothly implemented over the past 10 years, with the trade volume between the two countries increasing drastically. Based on Chinese Customs' statistics, trade volume in 1989 was \$12.25 billion (excluding entrepot trade via Hong Kong), up approximately twofold from \$4.78 billion in 1980, and 15 times the trade volume in 1979. Last year, the entrepot trade volume of Chinese goods via Hong Kong was \$9.5 billion. The issue of whether or not to renew China's MFN status is deliberated by Congress every year; under all circumstances, relevant proposals had been passed with no trouble at all. However, between February and March this year, some congressmen began to argue for and ferment a suspension of China's MFN status in an attempt to add pressure to China with further economic means.

This practice has not only violated the UN Charter and Resolution on "Opposing Threats to Developing Countries With Economic Measures as Political and Economic Means" and gravely hurt the Chinese people's interests and feelings. It will also bring great losses to the United States itself. Many farsighted people among the U.S. Government and public, as well as industrial and commercial circles, worry that the economic interests of both China and the United States will suffer heavy losses, with a retrogression in Sino-U.S. relations surfacing, and that U.S. long-term strategic interests in the Far East will be damaged should the United States suspend China's MFN status. In a recent document addressed to Congress, the U.S. Chamber of Commerce in Beijing stated that canceling China's MFN status would bring "disastrous" effects to U.S. economic interests in China, and "damage overnight the bilateral commercial relations that have been steadily developed over the past 20 years." U.S.-Chinese Trade Council

Director Sullivan stated: "The United States will lose a great market and a great buyer; its economic as well as its political interests will be hurt."

According to voluminous material provided by U.S. experts and scholars, personalities of commercial circles, and think tanks, including the Heritage Foundation, the losses incurred by the United States itself will be manifold.

Interests of Mass Consumers Will Be Hurt

Over the past 10 years, many Chinese goods, such as textile products, shoes, toys, electronic products, and sports equipment, have been praised for their good quality and low prices, winning wide popularity among U.S. consumers, especially those in the middle- and low-income brackets. Should the United States cancel China's MFN status, the tariff on 25 major categories of Chinese goods will be raised to 50 percent from the current 8.76 percent, while the tariff on some goods will increase more than tenfold. For example, the rate on clothes will increase from 3.7 percent to 90 percent, on toys from 5.5 percent to 70 percent, on shoes from 5.3 percent to 80 percent, and on metal products from 7.8 percent to 110 percent. With tariffs rising by a wide margin, retail prices will inevitably rise correspondingly; consequently, the burden will go to the consumer. A Heritage Foundation research report said that because most Chinese imports fall into the categories of middle- and low-quality goods, "those who suffer will be mostly the U.S. working class," which should not be neglected because the numbers involved can be great.

At the same time, U.S. importers and retailers will also be hard hit. With the MFN status canceled, many Chinese goods will not be able to enter the U.S. market. It is estimated that the export volume will be cut by half. This will inevitably lead to a waning of their business and a cut in their profits; moreover, grave confusion in management will surface for a considerably long period, the losses being quite beyond our imagination.

Loss of the Huge Chinese Market

It is universally known that MFN status is not a favor bestowed by one country on another, but is reciprocal. Should the United States cancel China's MFN status, it will correspondingly lose the same status extended by China. According to U.S. press estimates, tariffs on U.S. exports to China will rise by at least 20 percent. This means U.S. goods will completely lose their competitiveness on the Chinese market.

Presently, Sino-U.S. trade accounts for a rather small percentage of U.S. foreign trade; however, China is still a large buyer with regard to certain U.S. goods. In 1989, the gross value of China's imports from the United States was \$6.6 billion, of which \$1.126 billion was for grain, \$1.8 billion for power-generating equipment, and approximately \$3 billion for other categories, including aircraft, chemical fertilizers, cotton yarn, scientific apparatus, iron and steel, lumber, and chemical products. Take aircraft for instance: China has purchased 61

Boeings from the United States since 1970, at a total value of approximately \$2.4 billion. In 1988, China announced that it would purchase another 100 such aircraft. Should the United States resolutely decide on canceling China's MFN status, it would mean automatically leaving the huge Chinese market to its powerful competitors.

Dealing a Blow at U.S. Enterprises With Investments in China

China has continued to improve its investment climate in the 10 years since implementation of its opening policy. The Chinese National People's Congress recently passed a new law allowing greater preferential treatment of foreign investments, which has attracted increasingly greater numbers of foreign investors, including the United States. Incomplete statistics show that the United States has to date an investment volume in terms of some \$3 billion in China. Presently, 600-odd U.S. firms have business ties with China, of which some 300 are large firms, including General Motors, General Electric, Boeing, and Western Oil. A considerable portion of the products of the joint ventures or wholly owned enterprises under these firms are to be marketed in the United States. Almost 100 percent of the garments and shoes processed in China are marketed in the United States. Consequently, a large number of U.S. firms in China will suffer great losses, and some of them will have to close down, with their expected long-range projects going down the drain. Then, their opportunities for making greater investments in China will have to be yielded to investors from other countries.

U.S. Firms in Hong Kong Will Be Affected

The United States has tremendous economic interests in Hong Kong, with an investment volume of the order of some \$6 billion. There are approximately 800 U.S. firms in Hong Kong, 70 percent of them dealing in Chinese goods. Should the United States cancel China's MFN status, Hong Kong's economy would be heavily hit; moreover, U.S. firms in Hong Kong would also be affected. These firms would suffer losses of the order of \$3 billion, with 50 percent of them cutting their personnel and operational scope by 50 percent, as disclosed by the U.S. Chamber of Commerce in Hong Kong. In addition, U.S.-based businessmen would incur losses of between \$1.5 billion and \$2 billion. Therefore, the U.S. Chamber of Commerce in Hong Kong has separately addressed letters to the U.S. Congress and President Bush to express their opposition to suspending or canceling China's MFN status.

U.S. Long-Range Strategic Interests Will Be Hurt

Some U.S. experts and scholars believe that the United States' extending MFN status to China is the cornerstone of all-round U.S.-Chinese relations. Should it be canceled, bilateral relations such as political and cultural relations between the two countries will inevitably be

affected and lead to a retrogression in overall U.S.-Chinese relations. Some farsighted U.S. personalities see clearly that no matter what changes take place in the world situation, China's strategic place and role in Asia should never be neglected. Since the publication of the Shanghai Communique, and especially the normalization of diplomatic relations between the two countries, Sino-U.S. relations have developed fast and made great contributions to world peace and stability. Beyond a doubt, this is also in line with U.S. long-range strategic interests. Under the condition of drastic changes in the world political and economic situation, especially when the United States will face fiercer economic and scientific and technological competition in the world, the maintenance and development of sound Sino-U.S. relations is vitally important to U.S. long-range strategic interests.

Having weighed the pros and cons, President Bush eventually made a wise decision on renewing China's MFN status. However, some U.S. congressmen are continuing their hue and cry and preparing to veto President Bush's proposal. In the next few weeks, Congress will unfold heated discussion on this issue. It is hoped that relevant personalities in the United States will handle relations between the two countries in line with the basic interests of the Chinese and American people from the perspective of a long-range global strategy and will not be carried away by a few congressmen and politicians who are hostile to China.

Editorial on Dispute Over U.S. Peace Dividends

*HK0706051390 Hong Kong WEN WEI PO in Chinese
7 Jun 90 p 2*

[Editorial: "Dispute Over U.S. 'Peace Dividends'"]

[Text] The U.S.-Soviet summit has resulted in the conclusion of an agreement between the two sides on the reduction of long-range nuclear missiles and strategic nuclear weapons. This is nothing surprising, as both superpowers, actuated by some internal factors, have to resort to arms control. In other words, "ending the cold war" is a need arising from the development of the domestic political and economic situation in the two countries. In view of the ever-changing domestic situation in the Soviet Union, the Soviet leaders feel it is necessary to relax its relations with the United States so that they can spare more time for the increasingly knotty problems they are facing at home. On the other hand, arms control may have substantial influence on the distribution of interests, the readjustment of the economic structure, and even the economic development trend in the United States.

However, while the old contradictions are being mitigated, some new ones are emerging. The dispute over the distribution of "peace dividends" in the United States is an evidence of this trend. The so-called peace dividends mean the expected benefits that may be resulted from the reduction in military spending—the reduction in the United States' federal budget deficit, a lower interest

rate, an increase in investments, and thus a higher growth rate of the GNP. The expectation of "peace dividends" reflects the desire of many Americans. On the other hand, both the American Government and public have shown increasing concern about the rise of Japan and Germany as economic powers in recent years. The dispute over trade between the United States and Japan has been a longstanding problem which is now becoming so serious that Japan "is going to say no to the United States." Germany, after reunification, will emerge as an economic superpower in Europe, and that will inevitably whittle down the European market for U.S. products. Both Japan and Germany still remain under the U.S. nuclear umbrella. The United States' huge military spending over the past many years has finally led to the weakening of its competitive power on the international market and the expansion of Japanese and German economic power. This fact has made many American scholars recognize that the Americans "had reared tigers which are now turning out to be sources of trouble." The expectation of "peace dividends" just reflects such a psychology.

Generally speaking, the idea of reduction in military spending in exchange for more investments in civil industries, or the doctrine of fewer cannons for more butter, is something beyond approach and should be well received. In the United States, however, this is by no means a simple problem. And it is this problem that incites the disputes over the distribution of "peace dividends." Just remember that the development of the United States into a superpower was a process of the making of a "military-industrial complex." The arms industry, which has been one of the most important component parts of the U.S. economy since the World War II, involves about one-third of the enterprises and over 2 million workers in the manufacturing sector of the United States. More than 60 percent of the products of the astronautics, electronics, ship-building, and non-ferrous metallurgical industries are related to military purposes. The reduction in military spending will inevitably result in a reduction in military purchases, thus a recession in the related industries which will in turn result in massive layoffs and a disorder in the production cycle. Analyses by American scholars indicate that a reduction of \$1 billion in military spending will make 38,000 American workers lose their jobs.

The reduction in military spending also implies the closedown of military bases. And this will give rise to some political problems in the United States as well. Defense Secretary Cheney proposed earlier this year that 69 military bases in the United States and abroad be closed down, arousing a strong reaction in the Congress. Many senators and representatives have always attributed the huge deficits in the federal budget to the over-expanded military spending. Then why is the federal government's plan to close down some military bases rejected by so many congressmen? The reason is quite simple—the existence of military bases has an important bearing on the interests of the congressmen's

electoral districts. For one thing, military bases employ many local people; for the other, the places around the bases can secure many subsidies from the federal government. All these benefits will be lost once the military bases are closed down. With a view to keeping the voters' support, some congressmen have to object to the "peace dividends" program, although they did loudly call for reductions in military spending.

The White House has of course anticipated this dilemma. For this reason, it has not announced and cannot possibly announce a substantial reduction in military spending after the "end of the cold war." As shown in the 1991 budget report that President Bush submitted to the Congress on behalf of the administration early this year, military appropriations are to be cut by only two percent after inflation is taken into account, which is much lower than the expected five percent reduction. In this connection Bush explained: "The dividends that we are reaping now are not money in the bank, they are rather a legacy payable in the future." Obviously he has reservations about the "peace dividends" program.

Thus it can be seen that the drastic changes in the structure of international relations are not purely advantageous but have presented a series of challenges to the United States, which has dominated the world for several decades. The Soviet Union, as a powerful rival, has not vanished. Japan and Germany are emerging as new economic superpowers, and the "peace dividends" are merely a "legacy payable in the future." Under such circumstances, Washington will have to face a situation that needs to be carefully evaluated.

Li Ruihuan Meets Delegation of U.S. Scholars

OW0706124690 Beijing XINHUA in English 1205
GMT 7 Jun 90

[Text] Beijing, June 7 (XINHUA)—Li Ruihuan, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, today discussed some international issues with a group of U.S. scholars led by James R. Millar, director of the Sino-Soviet Institute of the George Washington University.

The wide-ranging discussion proceeded in a friendly and frank atmosphere.

Li also briefed the visitors on China's domestic situation.

The U.S. scholars came here to attend the symposium on the emerging detente and major power relationship in the Asian-Pacific region jointly sponsored by the China Institute of Contemporary International Relations and the Sino-Soviet Institute of the George Washington University.

Shanghai Mayor Zhu Rongji Plans U.S. Trip

HK0706013590 Hong Kong SOUTH CHINA
MORNING POST in English 7 Jun 90 pp 1, 10

[By Willy Wo-lap Lam]

[Text] The mayor and party boss of Shanghai, Mr Zhu Rongji, is leading a delegation of six Chinese mayors to the United States next month.

Mr Zhu will also pay a five-day visit to Singapore after concluding his visit to Hong Kong on June 15.

The delegation of mayors will be the highest-level visit to the U.S. by Chinese officials since the June 4 Tiananmen Square crackdown.

The municipal chiefs, who will visit cities on both the East and West coasts from July 7 to 26, will be the guests of the National Committee on U.S.-China Relations (NCUSCR).

A non-governmental organization, the committee consists of leading businessmen, academics and foreign policy specialists dedicated to advancing U.S.-Chinese relations.

Members of Mr Zhu's delegation include the mayors of Chongqing, Wuhan, Ningbo and Taiyuan; respectively Mr Sun Tongchuan, Mr Zhao Baojiang, Mr Geng Dianhua, and Mr Wang Liangshi.

The former mayor of Shanghai, Mr Wang Daohan, and the Vice-Chairman of the city's Commission for Foreign Investment Work, Mr Ye Longfei, will also be among the delegates.

"The mayors will look into issues of urban management, economic planning, and environmental protection," said Vice-President of NCUSCR, Ms Jan Barris.

"We also hope they will start a dialogue with Americans on the importance of Sino-U.S. relations."

While the itinerary of the group has not been finalised, sources said they would meet senior businessmen, civic leaders, and government officials.

"A primary aim of the visit is to persuade American businessmen to resume economic relations with China to pre-June 4 levels," said a source.

"The mayors of cities that fall within the Yangtze River Delta Zone—which has Shanghai as its nucleus—will particularly ask U.S. businessmen to consider investing in the zone."

In addition to the mayors and governors of the cities and states on their itinerary, the Chinese delegation is expected to pay courtesy calls on U.S. Government officials, including those in the State Department.

Diplomatic analysts say while the visit is technically a private one, it represents an important step in the thawing of Sino-U.S. relations, which is gradually taking place in the wake of Beijing's release of dissidents and

the President, Mr George Bush's, recommendation that China retain Most Favoured Nation trade status.

While Mr Zhu is only an alternate member of the Chinese Communist Party's Central Committee, he is considered a rising star in Chinese politics.

As the party boss of Shanghai, a city directly administered by Beijing, Mr Zhu is entitled to a seat on the politburo. And analysts say he will be elevated to the supreme body later this year.

"Washington will be eager to size up Mr Zhu, who has been portrayed as a successor to ousted party chief Zhao Ziyang as the leader of the reformist wing of the party," said a diplomatic analyst.

Mayor Zhu's trip to Singapore will be the Chinese Government's highest-level visit to the island republic since the Tiananmen square crackdown.

Singapore, which maintains a trade office in Beijing, is expected to establish full diplomatic relations with China towards the end of the year.

Sources say that during his visit, Mr Zhu will meet officials including the heads of the Ministries of National Development, Trade and Industry, and Communications and Information.

He will tour Singapore's infrastructure and other facilities, including transport and telecommunications, housing, securities markets, and hi-tech factories.

"At a time when Shanghai is transforming itself into the industrial and financial centre of China, Mr Zhu is eager to learn from the example of Singapore," said a diplomatic source in the island republic.

Shanghai sources said Mr Zhu will have a session with the Singapore Chamber of Commerce as well as widespread consultation with leading businessmen in order to lure investment to the newly demarcated Pudong Industrial Zone.

Analysts think there is a high possibility Mr Zhu will pay a courtesy call on the Prime Minister, Mr Lee Kuan Yew, who is a frequent visitor to China.

It is understood that Mr Zhu's Hong Kong entourage will accompany him to Singapore.

Soviet Union

Liu Huaqing Meets Soviet Defense Minister 5 Jun

OW0506225490 Beijing XINHUA in English
1455 GMT 5 Jun 90

[Text] Moscow, June 5 (XINHUA)—Soviet Defense Minister Dmitry Yazov met with visiting Vice Chairman of China's Central Military Commission Liu Huaqing here today [5 June].

Both sides expressed the desire to further military relations between them. The Soviet Chief of General Staff Mikhail Moiseyev and the Chinese Ambassador to the Soviet Union Yu Hongliang also attended the meeting.

Military Relations To Have 'New Basis'

OW0606123290 Beijing XINHUA in English
1202 GMT 6 Jun 90

[Text] Moscow, June 6 (XINHUA)—Soviet Chief of General Staff Mikhail Moiseyev said today [6 June] that his country and China would now be building their military relations on a new basis.

In an interview with the official Soviet news agency TASS on the current talks between Soviet military leaders and the visiting vice chairman of China's Central Military Commission, Liu Huaqing, Moiseyev said the improvement in military relations was a natural process, the benefits of which would soon be seen.

He added that agreement had been reached on the principles for establishing military economic relations.

Liu's visit is at the invitation of the Soviet Government.

Heilongjiang Develops Cooperation With USSR

OW0606070090 Beijing Domestic Service
in Mandarin 2130 GMT 5 Jun 90

[By station reporter (Zhou Shaocheng); from the "News and Press Review" program]

[Text] Heilongjiang Province has made breakthroughs in developing economic and technological cooperation with the Soviet Union. In the first quarter of this year, it signed 30 cooperative agreements with the Soviet Union and sent more than 1,500 laborers to work there. Technicians and laborers from this province have already enjoyed some prestige in the Soviet Union's far eastern part.

Since 1982, Heilongjiang has opened to the Soviet Union. Because of the complementary nature of the Chinese and Soviet economic structures and market demands, the province's trade volume with the Soviet Union amounted to 600 million Swiss francs last year, equivalent to threefold of its total border trade volume since the founding of New China.

Meanwhile, both sides have sought to further expand the scope of cooperation. Last year they signed contracts for 108 economic and technological cooperation projects. The total value of the contracts amounted to 170 million Swiss francs, and over 10,000 laborers were sent from the province to work in the Soviet Union.

Soviet Trade Delegation Arrives in Harbin 1 Jun

SK0706051190 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 1 Jun 90

[Excerpts] The China economic and trade symposium with the Soviet Union and East European countries will open soon. On the evening of 1 June, the Soviet Krasnoyarsk Kray delegation arrived in Harbin by plane to attend the symposium.

The Krasnoyarsk Kray delegation was the first delegation to arrive in the province among the ten-odd delegations which Heilongjiang Province has specially invited to attend the economic and trade symposium. [passage omitted] From last year to march this year, our province carried out economic and trade business with Krasnoyarsk Kray and the business volume reached nearly 7 million Swiss francs. So far, our province has a total of 19 economic and trade partners in Krasnoyarsk Kray. [passage omitted]

The delegation was composed of seven members and was led by Comrade (Shcherbak Yanke), chairman of the Krasnoyarsk Kray Soviet Executive Committee. Vice Governor Du Xianzhong and other comrades went to the airport to welcome the Soviet guests.

At the airport lounge reserved for honored guests, a reporter interviewed the delegation leader. The reporter said: I am a reporter of the Heilongjiang radio and television station. You are welcomed to our Heilongjiang Province. Is this your first visit to Heilongjiang?

The delegation leader said: This is my first visit to China and Heilongjiang. Our cooperation should begin with our near neighbor first. Of course, we should begin it with Heilongjiang first. As far as our people living in Siberia are concerned, Harbin is Heilongjiang Province's showcase for foreign countries.

The reporter asked: Please tell us what you think of attending this economic and trade symposium?

(Shcherbak Yanke) said: In my opinion, I think that this symposium should determine the principal and major cooperative objectives for the future economic and technological cooperation between our two sides.

The reporter asked: Are you interested in economic and technological cooperation with us or in barter trade with us?

The delegation leader said: We are very interested in economic and technologically cooperation. Joint ventures and cooperative enterprises are the main cooperative forms between us.

Northeast Asia

Investment Committee With Japan To Promote Ties

OW0706142090 Beijing XINHUA in English 1358 GMT 7 Jun 90

[Text] Beijing, June 7 (XINHUA)—A China-Japan Investment Promotion Committee was set up here today

in a bid to boost Japanese investment in China and to enhance Sino-Japanese economic and technological co-operation.

Chinese Premier Li Peng, Japanese Prime Minister Toshiki Kaifu and some other Japanese celebrities, including former Prime Minister Noboru Takeshita, sent messages of congratulations to the inauguration ceremony here this morning.

Addressing the ceremony, Chinese Vice-Premier and special advisor to the committee Tian Jiyun said the establishment of the committee is not only an indication of China's good intentions for developing Sino-Japanese friendly relations of co-operation, but makes known again through actions that China is pursuing the unswerving policy of reform and opening, developing economic and technological co-operation with foreign countries and welcoming foreign investment.

He noted that China will further improve its investment environment and absorb foreign investment in an active, bold and secure way.

The country will also import advanced technology and focus on absorbing direct foreign investment when soliciting foreign investment in the future, Tian said.

Bo Yibo, honorary president of the China Council for the Promotion of International Trade, and Ikeura Kisaburo, president of the Japan-China Investment Promotion Organization, and more than 200 other people from Chinese and Japanese economic and trade circles attended today's ceremony.

Japan set up its Japan-China Investment Promotion Organization, a counterpart to the Chinese committee, this March.

Later today, Zheng Tuobin, minister of foreign economic relations and trade, and advisor to the Chinese committee, met with Ikeura Kisaburo and his party. They exchanged views on strengthening bilateral economic and technological co-operation and on promoting Japanese investment in China.

Li Peng Sends Condolences on Ohira's Funeral

OW0606070390 Beijing XINHUA Domestic Service in Chinese 1304 GMT 4 Jun 90

[By reporter Li Dean (2621 1795 1344)]

[Text] Tokyo, 4 Jun—A funeral for Shigeko Ohira, wife of late Japanese Prime Minister Ohira, was solemnly held in Tokyo on 4 June.

A total of over 3,200 prominent figures, including former Japanese Prime Minister Zenko Suzuki; House of Councillors President Yoshihiko Tsuchiya; Ichiro Ozawa, general secretary of the Liberal Democratic Party [LDP]; Takeo Nishioka, chairman of the LDP's

Executive Council; and Masayoshi Ito, chairman of the Dietmen's League for Japan-China Friendship, participated in the funeral.

State Council of China premier Li Peng, Chinese Vice President Wang Zhen, and the responsible people of relevant departments each cabled condolence to the Ohira family.

Chinese Ambassador to Japan Yang Zhenya and the representatives of Chinese students studying in Japan also participated in the funeral.

Shigeko Ohira passed away due to respiratory failure at the age of 73 in Tokyo on 31 May.

During her lifetime, Lady Ohira made vigorous efforts to promote friendly contacts between the Japanese and Chinese people. In particular, she spent a good deal of painstaking labor in showing concern for and taking care of Chinese students studying in Japan. After accompanying Prime Minister Ohira in his visit to China in 1979, she made four subsequent trips to China and established a profound friendship with the Chinese people.

Japan's Kaifu Meets Foreign Affairs Delegation

OW0606144690 Beijing XINHUA Domestic Service in Chinese 1332 GMT 5 Jun 90

[Text] Tokyo, 5 Jun (XINHUA)—Japanese Prime Minister Toshiki Kaifu met a delegation of the Chinese People's Institute of Foreign Affairs, led by Han Nianlong, on the afternoon of 5 June at his official residence.

During the meeting, Kaifu said that friendly relations between Japan and China are very important because they are beneficial to peace in the Asian region. He expressed the hope that both sides will work together to continue to develop friendly relations and cooperation between themselves.

During the meeting, Chinese Ambassador Yang Zhenya to Japan was present.

The Chinese delegation arrived in Tokyo on 4 June at the invitation of the National Policy Research Institute of Japan.

Technical Engineering Venture With Japan Noted

HK0706022090 Beijing CHINA DAILY in English 7 Jun 90 p 2

[By staff reporter Ren Kan]

[Text] Two major Japanese steel and machine producers witnessed an example of the new Sino-Japanese cooperation yesterday in Beijing by marking the smooth operation of a technical engineering joint venture.

The Japanese partners for the Chongqing Siyou Continuous Casting Machine Technical Engineering Corporation Ltd, in Sichuan Province, are Sumitomo Metal

Industries Ltd, the third largest iron and steel corporation in Japan, and Mitsubishi Heavy Industries Ltd, the world leading machine producer.

Chinese partners include Chongqing Special Steel Plant, one of the 10 largest special steel producers in China, and Chongqing Iron and Steel Designing Institute.

Total investment for this 10-year-term project is 450,000 yuan (\$95,700). Of which, 34 percent are from the Chongqing Special Steel Plant. The other three investors took the same share of 22 percent.

The joint venture, which was approved by the State in February and started operations in March, will supply advanced continuous casting machine technology to machine producers, said Ding Keli, director of the venture.

He said the venture will also supply advanced continuous casting machine, equipment installation and project design for iron and steel complexes.

Ding said that the venture will greatly improve China's metallurgical industry since China is taking efforts to increase the proportion of continuous cast steel in the total steel output.

Sino-Japanese Trucking Venture Established

HK0706021290 Beijing CHINA DAILY in English 7 Jun 90 p 2

[By staff reporter Ren Kan]

[Text] The first Sino-Japanese joint venture in trucking will be set up according to a contract signed in Beijing yesterday.

The Beijing Yan He Petrochemical Product Transportation Corporation Ltd will truck phynol, produced by the Beijing Yanshan Petrochemical Corporation, around Beijing.

The corporation president Wu Xiegang said the 10-year-term joint venture will greatly improve transportation of petrochemical products.

He said this venture will reduce customers' costs and it will speed delivery by replacing the barrels with the tank trucks.

The total investment in the joint venture is 900,000 yuan (\$191,000) according to the contract. Both Japanese and Chinese partners will invest equally.

Chinese partners include Beijing Yanshan Petrochemical Corporation, China's largest petrochemical plant, and the Yanshan United Foreign Trade Corporation Ltd.

The petrochemical corporation, also the third largest industrial corporation in China, invested 66 percent of the Chinese half.

The Japanese partners include Mitsui & Company Ltd, and the Oil Transportation Corporation Ltd, the largest petrochemical products transporter in Japan.

According to the contract, the Japanese transportation corporation will supply four tank trucks as their investment. Each of these trucks holds 10 tons of phynol.

The joint venture is expected to start operating in August, said Li Ronghai, a Yanshan petrochemical corporation official.

The annual business value of the venture will be 700,000 yuan (\$149,000) with an annual transporting capacity of more than 8,300 tons.

"Although the joint venture is not large at beginning," the Japanese transportation corporation president Masahiro Horie said, "I believe its future is promising."

With the old way of transporting phynol in barrels, users had to pay fees on these imported containers.

Also the production of the Yanshan petrochemical corporation, with an annual phynol output of 50,000 tons, was affected because transportation could not keep up with production.

Procurators Depart for Visit to DPRK 6 Jun

OW0606112890 Beijing XINHUA in English
0950 GMT 6 Jun 90

[Text] Beijing, June 6 (XINHUA)—Liu Fuzhi, chief procurator of the Chinese Supreme People's Procuratorate, left here for the People's Democratic Republic of Korea [as received] at the head of a Chinese procurators delegation this afternoon [6 June].

This is the first visit to Korea by a Chinese chief procurator.

They were seen off at the railway station by senior officials of the Supreme People's Procuratorate as well as by Pae Yong-jae, charge d'affaires ad interim of the Korean Embassy in Beijing.

Mongolian National Boxing Team Arrives in Hohhot

SK0706050590 Hohhot Inner Mongolia Regional
Service in Mandarin 1000 GMT 1 Jun 90

[Text] At the invitation of the regional Physical Culture and Sports Commission, a 15-member national boxing team of the Mongolian People's Republic came to our region for a 10-day visit and match. This morning, the boxing team arrived in Hohhot from Ulaanbatar, the capital, by train. The Mongolian national boxing team is a strong team in Asia. During the Asian boxing championships held in Beijing last year, this boxing team won champion status in two events. During its stay in Hohhot, it will hold two contests with the China national boxing team and the Inner Mongolia boxing team. The rest of the time, this team will participate in training and exchange experiences with the regional boxing athletes.

Southeast Asia & Pacific

Cambodia's Sihanouk: Signing of Pact 'Reluctant'

OW0706152290 Beijing XINHUA Domestic Service
in Chinese 1251 GMT 7 Jun 90

[By reporter Jiang Yuzhe (5592 6276 3181)]

[Text] Tokyo, 7 Jun (XINHUA)—Cambodian President Prince Sihanouk left here for Beijing by plane today after visiting Japan to attend a Tokyo Conference on Peace in Cambodia.

At a news conference before heading to the airport, he said that the joint communique he signed with "premier" Hun Sen of the Heng Samrin Regime at the Tokyo Conference was a "reluctant choice."

He disclosed that signing the joint communique in the absence of Democratic Kampuchea is not his real intention. He said: "Without a consensus reached by the four parties, there will be no genuine peace in Cambodia."

According to reports, Premier Son Sann of the Cambodian National Government said here yesterday: "A consensus reached by the four parties, including Democratic Kampuchea, is indispensable for a comprehensive political settlement of the Cambodian question." He said: In spite of Vietnam's announcement of a "complete troop withdrawal" last September, there are still a large number of Vietnamese soldiers in Cambodian territory, in addition to more than one million Vietnamese who have illegally immigrated to Cambodia.

Premier Son Sann and Vice President Khieu Samphan in charge of foreign affairs of the Cambodian National Government, as well as Prince Sihanouk's son Prince Rannarit left here for home today. "Premier" Hun Sen of the Heng Samrin regime also left here today for Moscow.

Arrives in Beijing 7 Jun

OW0706145890 Beijing XINHUA in English
1443 GMT 7 Jun 90

[Text] Beijing, June 7 (XINHUA)—President of Cambodia Norodom Sihanouk and his wife arrived in Beijing today after attending the meeting on Cambodian issue in Tokyo.

Chinese Deputy Foreign Minister Qi Huaiyuan and Cambodian and Japanese diplomats to China greeted the Cambodian president at the airport.

Xu Dunxin in Thailand To Discuss Cambodia

OW0606143690 Beijing XINHUA in English
1418 GMT 6 Jun 90

[Text] Bangkok, June 6 (XINHUA)—Chinese Assistant Foreign Minister Xu Dunxin arrived here today [6 June] to exchange views with Thailand on the Cambodian issue.

Later he will fly to Vietnam and discuss the problem with the Vietnamese side. But he said that while both sides

agreed such talks would be useful, there remained great differences between them. He expressed the hope that Vietnam would join in a common effort to solve the issues.

Reviewing his talks with Vietnamese Deputy Foreign Minister Dinh Nho Liem last May, he said: "Both sides think the meeting is conducive, but to be frank, we are distanced to a great extent in views on some big problems, which are unavoidable and substantive in solving the Cambodian issue."

Normalization of Sino-Vietnamese ties, Xu pointed out, could only come after a solution has been found to the Cambodian question.

In response to a question about the hope expressed by Soviet Deputy Foreign Minister Igor Rogachev here for a breakthrough in Sino-Vietnamese meeting, Xu said: "We also hope that the Soviet side would take an active attitude to prompt an early solution to the Cambodian issue."

Further on Meeting

OW0506141890 Tokyo KYODO in English 1126 GMT 5 Jun 90

[Text] Bangkok, June 5 KYODO—China wants closer ties and economic cooperation among developing countries in Asia and the Pacific region, visiting Chinese Vice Minister for Foreign Affairs Liu Huaqiu told Thai Foreign Minister Sitthi Sawetsila on Tuesday [5 June].

Such cooperation, Liu said, should first take place among full nations and then possibly be extended at a later date to include "territories" such as Hong Kong and Taiwan, according to Thai Foreign Ministry Spokesman Somphong Faichampa.

China does not want the participation of industrialized countries in order to prevent the new regional economic entity from becoming a "rich-club," Somphong quoted Liu as saying.

Liu is in Bangkok as the chief Chinese delegate at the 46th annual session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

China did not take part in the Australian-hosted ministerial meeting of 12 Asia-Pacific nations last November which discussed ways of setting up an Asia-Pacific cooperation forum.

Australia, Japan and South Korea were among the participants in the Canberra meeting, as were the United States and Canada.

The six member countries of the Association of Southeast Asian Nations (ASEAN), however, contended that such a new cooperative body should have ASEAN as the core of its expansion.

No concrete results emerged from last year's meeting.

Ties With SRV, Soviet Role Viewed

OW0706104490 Beijing XINHUA Domestic Service in Chinese 1308 GMT 6 Jun 90

[By reporter Huang Yong (7806 0516)]

[Text] Bangkok, 6 Jun (XINHUA)—Chinese Assistant Foreign Minister Xu Dunxin arrived in Bangkok today to exchange views with Thai leaders on the Cambodian issue.

In an interview at Bangkok International Airport, Xu Dunxin said, in reply to a reporter's question: "At present, a variety of views have been put forward internationally regarding the Cambodian issue. Various channels exist for exchanging such views. Under these circumstances, an in-depth and comprehensive exchange of views between China and Thailand is necessary."

He said that, following his visit to Thailand, he will travel to Hanoi as a guest of Zhang Dewei, the Chinese ambassador to Vietnam. He added that, during his stay in Hanoi, he will exchange views with Vietnamese officials on the Cambodian issue.

He said that, regarding the Cambodian issue, he had exchanged views with Dinh Nho Liem, first deputy foreign minister of Vietnam, in Beijing early last month. He said: "Both sides think that the exchange of views on that occasion was useful. To be frank, however, there is still a relatively great distance between us on some big, substantial problems that are unavoidable in solving the Cambodian issue."

He expressed the hope that the Vietnamese side will face up to the current reality and join the Chinese side in solving the issue by making concerted, sincere efforts.

Referring to a question on the normalization of Sino-Vietnamese relations, Xu Dunxin said: "There is a precondition, or a premise, for the normalization of Sino-Vietnamese relations; namely, the settlement of the Cambodian issue." The normalization of Sino-Vietnamese relations, he pointed out, can only come after the Cambodian issue has been settled.

In response to a reporter's remark that Soviet Deputy Foreign Minister Rogachev expressed the hope, while in Bangkok, that there could be a breakthrough at the Sino-Vietnamese meeting, Xu Dunxin said: "We also hope that the Soviet side will adopt a positive attitude to bring about an early solution of the Cambodian issue."

Yang Shangkun, Thai Defense Chief Discuss Cambodia

OW0706122090 Beijing XINHUA in English 1154 GMT 7 Jun 90

[Text] Beijing, June 7 (XINHUA)—Chinese President Yang Shangkun met with Chawalit Yongchaiyut, deputy prime minister and minister of defense of Thailand, and his party here today.

The Thai visitors were on their way home from Tokyo.

During their cordial conversation, Yang spoke highly of the friendly relations and co-operation between China and Thailand, describing the bilateral relations as "having been always good."

Both countries support the Cambodian people in their just struggle, Yang said. He also praised Thailand for its unremitting efforts to promote a political solution to the Cambodia question.

Chawalit expressed satisfaction with Sino-Thai co-operation. He conveyed to Yang regards from Thai Prime Minister Chatchai Chunhawan.

Yang thanked Chawalit for this and asked him to convey his regards to Chatchai.

Chawalit and his party arrived here Wednesday evening. They were greeted at the airport by Chi Haotian, chief of the General Staff of the Chinese People's Liberation Army, and his deputy, Xu Xin.

Earlier today, Chinese Foreign Minister Qian Qichen and Chawalit discussed a political solution to the Cambodia question.

The Thai visitors left here by air for home this evening.

Thai Foreign Minister Meets Liu Huaqiu

*OW0506141490 Beijing XINHUA in English
1110 GMT 5 Jun 90*

[Text] Bangkok, June 5 (XINHUA)—Thai Foreign Minister Sitthi Sawetsila met with Chinese Vice Foreign Minister Liu Huaqiu here today [5 June].

They exchanged views on bilateral relations and international issues of mutual interest.

Liu had come here as head of the Chinese delegation to the current 46th annual session of the U.N. Economic and Social Commission for Asia and the Pacific (ESCAP).

After the meeting, a spokesman of the Chinese delegation quoted Sitthi as saying that the two countries have very close friendly and cooperative relations and that on many major international issues they have shared mutual understanding and supported each other. Thailand will further strengthen these friendly and cooperative relations with China in international organizations.

Nguyen Van Linh Meets Ambassador to SRV

OW0506171690 Beijing XINHUA Domestic Service in Chinese 1340 GMT 5 Jun 90

[By reporter Ling Dequan (0407 1795 2938)]

[Text] Hanoi, 5 Jun—Nguyen Van Linh, general secretary of the Communist Party of Vietnam [yue gong 8390 0364] Central Committee, met with Zhang Dewei, Chinese ambassador to Vietnam, in Hanoi this afternoon [5 June].

When the meeting began, Nguyen Van Linh recalled the scenes when he went to Beijing from southern Vietnam in 1963 to meet with Chairman Mao Zedong, Premier Zhou Enlai, Comrade Deng Xiaoping, and other Chinese leaders.

He asked Zhang Dewei to convey his regards to Comrade Deng Xiaoping and Chinese leaders.

Zhang Dewei also conveyed Chinese leaders' regards to Nguyen Van Linh.

Nguyen Van Linh and Zhang Dewei had friendly conversations on Sino-Vietnamese relations and issues of mutual concern.

Nguyen Co Thach, vice chairman of the Council of Ministers of Vietnam and minister of foreign affairs, was present at the meeting.

Chi Haotian Meets Philippine Defense Group

*OW0706121990 Beijing XINHUA in English
1147 GMT 7 Jun 90*

[Text] Beijing, June 7 (XINHUA)—Chi Haotian, chief of General Staff of the Chinese People's Liberation Army (PLA), met with a delegation from the National Defense College of the Philippines led by President of the College Florencio F. Magsino here today.

The Philippine visitors were honored at a banquet given by He Qizong, deputy chief of General Staff of the PLA, Wednesday evening.

Liao Hansheng Meets Philippine Parliamentarians

*OW0706121090 Beijing XINHUA in English
1137 GMT 7 Jun 90*

[Text] Liao Hansheng, vice-chairman of the Standing Committee of Chinese National People's Congress (NPC) met and hosted a dinner for a delegation of the Philippine House of Representatives here this evening.

The Philippine guests led by Jose Devenecia Jr., acting chairman of the Committee on Foreign Affairs of the Philippine House of Representatives, arrived in Beijing this afternoon on their way to the Democratic People's Republic of Korea.

Anniversary of Philippine Association Celebrated

*OW0606152390 Beijing XINHUA in English
1440 GMT 6 Jun 90*

[Text] Manila, June 6 (XINHUA)—The Association for Philippines-China Understanding (APCU) sponsored a paintings exhibition and a concert here this evening [6 Jun] to mark the 15th anniversary of the establishment of diplomatic relations between China and the Philippines.

Over 200 people, including government officials, prominent figures in various circles here, members of the diplomatic corps, as well as APCU members, attended

the exhibition and the concert. On display were more than 30 oil and watercolor paintings by both Chinese and Filipino artists. Dancers of the famous Hwa Yi ethnic dance center and the Philippine madrigal singers of the University of the Philippines presented songs and dances of both countries at the concert.

Addressing the opening ceremony for the exhibition and concert, Philippine Foreign Affairs Undersecretary Manuel Yan said that since the establishment of official contact between the Philippines and China, "our relationship has grown and now covers the whole range of bilateral cooperation."

He added that official cultural exchanges and programs "are more extensive than any either country has with another," and expressed the hope that the friendship between them would grow from strength to strength.

In his speech, APCU President Cefeirno Benedicto hailed the ever-growing friendship and economic and cultural exchanges between the two countries since 1975 and said the bilateral relationship would become still closer in the years to come.

Chinese Ambassador to Manila Wang Yingfan stressed on the occasion that China attaches importance to official relationship with the Philippine Government, as well as people-to-people exchanges between the two countries.

"I am convinced that in the coming years, with our joint efforts, Sino-Filipino friendship will further develop," the ambassador said.

He also praised the APCU for the important contribution made to the promotion of Sino-Filipino friendship since it was formed in 1971 by noted figures in political, economic, and cultural circles in the Philippines.

Cambodians Overseas Hold Discussions in Paris

*HK0606133890 Beijing RENMIN RIBAO in Chinese
21 May 90 p 4*

["Dispatch" by reporter Lu Wangda (0712 4986 1129): "Symposium on the Cambodia Issue and Its Prospects Held in Paris"]

[Text] Paris, 17 May (RENMIN RIBAO)—About 100 Cambodian journalists and representatives of Cambodian resistance organizations, who had all along supported and publicized the Cambodian resistance movement in other countries, recently met in Paris and held a two-day forum on the present situation in Cambodia and the future of Cambodia. Participants in the forum pointed out: The sacred task of achieving peace, national independence, and sovereignty in Cambodia is above everything else and national unity and cooperation is of supreme importance.

They maintained: The international community demands that Vietnam withdraw its troops under international supervision and asks the United Nations to take

charge of a just and fair general election. These propositions sound reasonable. The stubborn stand held by Vietnam and the Phnom Penh regime remains the biggest obstacle to peace in Cambodia.

Participants in the meeting pointed out: At the crucial moment of facing life and death and safeguarding national sovereignty and independence, all resistance organizations should have the future in mind and further strengthen unity and cooperation. Otherwise, real peace in Cambodia will be out of the question. They also noted that China's proposals on solution to the issue of Cambodia are fair and reasonable and beneficial to peace in Cambodia.

Y-12 Aircraft in Burma for Demonstration Flight

*OW0506225090 Beijing XINHUA in English
1818 GMT 5 Jun 90*

[Text] Yangon, June 5 (XINHUA)—A Chinese Y-12 aircraft with an eight-member flight crew flew in here today [5 June] for a three-day demonstration flight in Myanmar.

The demonstration flight of Y-12 will be co-sponsored by Myanmar's Inspection and Agency Services, the Airstream PTE Limited of Singapore and the China National Aero-Technology Import and Export Corporation.

A Chinese trade group led by Wang Dawei, vice-president of the China National Aero-Technology Import and Export Corporation, arrived here earlier. The group came here to promote sales of this kind of aircraft.

Today, U Tin Ohn, director-general of Myanmar's Directorate of Civil Aviation, U Chit Than, managing director of Myanmar Airways, and U Tint Wai Aye, managing director of Myanmar's Inspection and Agency Services, met with the Chinese trade group respectively.

The demonstration flight will be held on Thursday, June 7, at Yangon International Airport. Those invited to be present will inspect the Y-12 aircraft and watch the demonstration of its technical performance in flight.

The demonstration flight by Myanmar pilots will be held in Yangon on Friday and at Pagan/Nyaung U Airport in Mandalay division, upper Myanmar, on Saturday.

Flight Begins 7 Jun

*OW0706100490 Beijing XINHUA in English
0937 GMT 7 Jun 90*

[Text] Yangon, June 7 (XINHUA)—A three-day demonstration flight of China's Y-12 aircraft began in Yangon International Airport this morning.

Present on the occasion were officials from the Myanmar Airways and Directorate of Civil Aviation.

Y-12 aircraft is a short-haul, 17-seater, multi-purpose aeroplane designed by China's Harbin Aircraft Company in the early 1980s.

It is suitable for use as a passenger plane and cargo transport plane, in conducting geological surveys, sea surveillance, air dropping, and in forestry and agriculture.

The Y-12 aircraft, with an eight-member flight crew, arrived here on Tuesday and will leave on Sunday for Nepal and Bangladesh for demonstration flights.

Burmese Paper Praises Joint Satellite Project

OW0606191490 Beijing XINHUA in English
1755 GMT 6 Jun 90

[Text] Yangon, June 6 (XINHUA)—Myanmar's official paper praised the Sino-Myanmar friendly cooperation in building the satellite communications project in this country in a recent editorial.

THE WORKING PEOPLE'S DAILY said that all the Myanmar people enthusiastically welcome the establishment of the satellite communications stations. The telecasting of Myanmar TV programs, achieved with the Sino-Myanmar friendly cooperation, will greatly benefit the all-round development of the country, the editorial stressed.

The Yangon central satellite TV earth station and other five earth stations in the nation have all gone into operation so far.

The editorial said Myanmar TV program began in 1980, but border areas and some parts of the country can not receive TV program from Yangon. Now, through the efforts of Chinese and Myanmar engineers, all areas covered by the earth stations can receive TV programs from the capital.

China has contracted to set up a national satellite TV retransmitting system for Myanmar. The project will cost a total of over 8.8 million U.S. dollars, according to the daily.

1989 Figures for Sino-Australian Trade Noted

HK0406153190 Beijing CEI Database in English
4 Jun 90

[Text] Shanghai (CEI)—Trade volume between China and Australia registered 1.556 billion U.S. dollars in 1989, a 46.5 percent rise over that of the previous year, said a high-ranking official here over the weekend.

According to Zhang Yanning, vice minister of the State Commission of Economic Restructuring, China mainly imports ores, rolled steel, paper, wool, wheat and sugar from and exports textiles, garments, other light industrial products and chemicals to Australia.

However, Zhang said, there is a big unfavorable balance for China, which has totalled four billion U.S. dollars over the past five years, averaging 800 million dollars per year.

In recent years, economic and technical cooperation has developed smoothly between the two sides. Statistics show that Australian businessmen had invested 268

million dollars and established 21 joint ventures in China by the end of 1988. China has also invested 130 million dollars in Australia.

Zhang said China will expand its export to Australia and the exports will include mechano-electronic products and new and hi-tech products beside the traditional ones. Key equipment and materials needed for its domestic production and construction will be imported from Australia, he added.

Near East & South Asia

Qiao Shi Meets Janata Dal Group From India

OW0606140190 Beijing XINHUA in English
1346 GMT 6 Jun 90

[Text] Beijing, June 6 (XINHUA)—The Communist Party of China (CPC) is keen to establish and develop friendly relations with the Janata Dal (the ruling "People's Party") of India.

This statement was made by Qiao Shi, a Standing Committee member of the Political Bureau of the CPC Central Committee, when he met with a delegation from the Janata Dal here this afternoon [6 June].

The delegation, led by Ramakrishna Hegde, vice president of the party, includes the party's interim president, Somappa Royappa Bommai, and General Secretary Sudini Jaipal Reddy. They arrived in China June 2 at the invitation of the CPC.

Qiao described the visit of the delegation as "an important event in the relations between the CPC and the Janata Dal, an between China and India."

The CPC is ready to establish and develop friendly ties with the Janata Dal under the principles of independence, complete equality, mutual respect and noninterference in each other's internal affairs, Qiao told the visitors.

He added that exchanges between the two parties will be useful in deepening mutual understanding and developing friendly relations between the two peoples and the two countries.

He said to continuously develop friendly relations between China and India on the basis of the Five Principles of Peaceful Coexistence is in the interests of the two peoples, and will be welcomed by the two peoples and make a great contribution to Asian and world peace.

Briefing his guests on China's dovestic situation, Qiao said both China's political situation and social order are stable, and the economic rectification and the deepening of reform have achieved initial results.

He explained that China is developing in a healthy way in every respect. "There is no doubt that the Chinese

people will reach their aim of building socialism with Chinese characteristics," he assured the visitors.

Hegde said that in the present changing world, the cause of peace and development has become a self-evident truth.

He said great potential exists for enlarging mutual understanding and cooperation between India and China. He hoped that his party's cooperation with the CPC would become closer.

After the meeting, Qiao held a banquet in honor of the Indian guests.

In the morning, Zhu Liang, a member of the CPC's Central Committee and head of the International Liaison Department of the party's Central Committee, held talks with the Indian delegation. Both sides exchanged views on developing friendly relations between the two parties and on issues of common concern.

Before coming to Beijing, the Indian delegation visited Shenzhen, Guangzhou and Shanghai.

Janata Dal Links Planned With CPC

HK0706130090 Hong Kong AFP in English 1243 GMT 7 Jun 90

[Text] Beijing, June 7 (AFP)—India's Janata Dal, or People's Party, expects to set up formal links with the Chinese Communist Party, its vice-president Ramakrishna Hegde said Thursday.

"We would like to have friendly relations so as to exchange ideas at the party level and benefit from their experience," Mr. Hegde said in a phone interview.

Mr. Hegde spoke prior to a meeting with Communist Party general secretary Jiang Zemin, which China's state-run television later rated as the top story on its main evening newscast.

On Wednesday Mr. Hegde was told by Qiao Shi, the senior Chinese politburo member in charge of security issues, that the Communist Party was "ready to establish and develop friendly ties" with the Janata Dal, the largest party in India's governing National Front.

The Communist Party already has ties with several Indian political parties, including Congress (I), whose leader Rajiv Gandhi made a landmark visit to Beijing in December 1988 when he was India's prime minister.

One of Janata Dal's key figures, deputy Prime Minister Devi Lal, met Chinese officials in May when he attended a regional meeting of the U.N. Food and Agriculture Organization (FAO).

Besides party issues, Mr. Hegde, whose delegation arrived Tuesday for a five-day stay, said tension between India and Pakistan over Kashmir had also come up "incidentally" in his talks here.

"We explained our position, that we don't want conflict with Pakistan and that we are ready for negotiations," he said, adding that the Chinese side agreed that a political settlement should be sought.

China has often expressed its concern about a Moslem revolt in the Indian-held section of Kashmir.

The divided state borders on China's far-west Xinjiang region, scene in April of a bloody Muslim riot that has officially been called a "counter-revolutionary rebellion" launched by separatists.

Jiang Zemin Hopes To Improve Ties

OW0706135890 Beijing XINHUA Domestic Service in Chinese 1056 GMT 7 Jun 90

[By reporter Zhou Cipu]

[Text] Beijing, 7 Jun (XINHUA)—Jiang Zemin, General Secretary of the CPC Central Committee, greeted the establishment of friendly relations between China's ruling party and India's ruling party today.

A delegation from the ruling People's Party of India, led by the party's vice president, R. Hegde, arrived in China on 2 June at the invitation of the CPC. The members of the delegation include the party's interim president, S.R. Bommai, and its general secretary, S.J. Reddy. The visit by the delegation marks the establishment of friendly relations between the ruling parties of China and India.

General Secretary Jiang Zemin met with the delegation at Zhongnanhai this afternoon. He said to the Indian visitors: A traditional friendship exists between Chinese people and Indian people. The Chinese side is glad to see that the two countries have improved and developed their relations in all fields in the last several years.

He praised the positive attitude of the Indian Government towards improving Indian-Chinese relations. He said: "We appreciate that Prime Minister V.P. Singh has repeatedly expressed the desire to further develop Indian-Chinese relations."

Jiang Zemin pointed out: China and India initiated the Five Principles of Peaceful Coexistence. To develop the friendly relations between China and India is of great significance to stability and prosperity in Asia, and to world peace. He said: The CPC and the Chinese Government and people sincerely hope to further develop the goodneighborly and friendly relations between China and India on the basis of the Five Principles of Peaceful Coexistence, and to constantly work hard for this task.

Jiang Zemin said: This is the first time that the ruling People's Party of India has sent a delegation to visit China since it took office following the general election. The visit by the delegation shows that the party attaches importance to the development of friendly relations between India and China. He expressed his belief that the establishment of friendly relations between the ruling parties of China and India on the basis of the four principles of inter-party relations will surely raise the relations between the two countries to a new height.

On South Asian relations, Jiang Zemin said: China has always devoted itself to developing good-neighborly and friendly relations with South Asian countries, and hopes for peace, stability, and development in the South Asian Region.

He said: The Kashmir issue is an issue left over from the past. China hopes that India and Pakistan will continue to restrain themselves, avoid the use of force, and settle the issue peacefully through friendly consultations, in the spirit of the Five Principles of Peaceful Coexistence, so as to help the development of the Indian-Pakistani relations and peace and stability in the South Asian Region.

Vice President Hegde said: Both India and China are seeking greater development of themselves, and such a development can be made only in a peaceful and stable environment.

He said: The friendly exchanges between the ruling People's Party of India and the CPC will surely further promote the development of friendly relations between India and China.

Interim President Bammai extended an invitation for a CPC delegation to visit India, which Jiang Zemin accepted.

Present at the meeting were Zhu Liang, member of the CPC Central Committee and head of its International Liaison Department; and Ranganathan, Indian ambassador to China.

Syrian Vice President Heads to Beijing

OW0606125490 Beijing XINHUA in English
1201 GMT 6 Jun 90

[Text] Damascus, June 6 (XINHUA)—Syrian Vice President Zuhayr Masharqah, also chairman of the National Progressive Front, left Damascus today [6 June] for Beijing on a 10-day visit to China at the invitation of the Chinese Government and the Chinese People's Political Consultative Conference.

Before leaving, Masharqah told XINHUA that his China tour was intended to promote the friendship and cooperation between Syria and China. He said he will exchange views with Chinese leaders on Arab and international issues.

The vice president and a 10-member delegation he heads were seen off at the Damascus airport by Chinese Ambassador to Syria Zhang Zhen and Syrian National Progressive Front officials.

New Syrian Ambassador Presents Credentials

OW0606114190 Beijing XINHUA in English
0932 GMT 6 Jun 90

[Text] Beijing, June 6 (XINHUA)—Newly appointed ambassador of the Syrian Arab Republic to China Lutfallah Haydar presented credentials to Chinese Vice President Wang Zhen in the Great Hall of the People here this afternoon [6 June].

Haydar arrived in Beijing on June 1.

Yemeni Prime Minister Meets Departing Envoy

OW0606061490 Beijing XINHUA Domestic Service
in Chinese 0421 GMT 4 Jun 90

[Text] Sanaa, 3 Jun (XINHUA)—Republic of Yemen Prime Minister al-Attas received here Zheng Dayong, the outgoing PRC ambassador to the Republic of Yemen, on 3 June and had a friendly conversation with him.

Al-Attas expressed satisfaction with Sino-Yemeni cooperation and relations based on traditional friendship. He expressed the hope that such cooperation and friendship between the governments and peoples of the two countries would continue to expand.

Al-Attas asked the Chinese ambassador to convey his regards to Chinese Premier Li Peng.

Earlier, Al-Siyayli, deputy prime minister of Yemen and concurrently minister of the interior, and Yemeni Foreign Minister Al-Iryani also met with the Chinese ambassador.

Sub-Saharan Africa

Ambassador Leaves Guinea-Bissau in Protest

OW0606135090 Beijing XINHUA Domestic Service
in Chinese 1153 GMT 5 Jun 90

[XINHUA dispatch from Bissau]

[Text] Beijing, 5 Jun (XINHUA)—After the Chinese Government's announcement of the suspension of diplomatic relations with Guinea-Bissau, Shi Wushan, ambassador extraordinary and plenipotentiary of the People's Republic of China to Guinea-Bissau, left here for home on the morning of 4 June.

West Europe

FRG Renders Aid to Yimeng Mountainous Area

SK0706054290 Jinan DAZHONG RIBAO in Chinese
1 May 90 p 1

[Summary] The projects to develop Yishui, Yinan, and Yiyuan Counties in the Yimeng Mountainous Area, developed with the free economic aid rendered by the Federal Republic of Germany, have been proceeding smoothly over the past two years. As of the end of 1989, 190 projects for providing drinking water for people and livestock were completed, helping 115,800 people eliminate the difficulties in getting water. Meanwhile, 715,000 square km of soil-erosion areas were developed.

The Federal Republic of Germany rendered free economic aid, involving 35,000 tons of wheat and 6 million marks, to the Yimeng Mountainous Area. In addition, it also decided to render free aid, totaling 35,000 tons of wheat and 9.55 million marks, to 498 villages of 30 townships in Pingyi,

Feixian, and Mengyin Counties to help improve 147 square km of soil erosion areas and develop 64,500 mu of water-saving irrigation areas. Through specialists' investigations last November, the Federal Republic of Germany approved to bring Zouxian County into the program for developing the Yimeng Mountainous Area; and also granted 1.5 million yuan of economic aid to help 31,800 people of 65 villages of the county eliminate difficulties in getting water, to improve 43 square km of soil erosion areas, and to develop 18,000 mu of water-saving irrigation areas.

East Europe

General Xu Xin Hosts Dinner for Romanians

OW0506104090 Beijing XINHUA in English
1014 GMT 5 Jun 90

[Text] Beijing, June 5 (XINHUA)—General Xu Xin, deputy chief of General Staff of the Chinese People's Liberation Army, hosted a dinner for a vacationing official group of Romanian Army at the Diaoyutai State Guesthouse here this evening [5 June].

The Romanian officials led by Lieutenant General Constantin Ionita, commander of the Romanian artillery troops arrived here on June 4 and they will make a fortnight tour of China at the invitation of the Ministry of National Defence.

Latin American & Caribbean

Song Ping Meets Cuban Trade Delegation

OW0606194890 Beijing XINHUA Domestic Service
in Chinese 0802 GMT 6 Jun 90

[Text] Beijing, June 6 (XINHUA)—Song Ping, Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, met with a Cuban trade union delegation here this morning [6 June] in the Great Hall of the People.

The delegation was led by Pedro Ross Leal, alternate member of the Political Bureau of the Central Committee of the Communist Party of Cuba and general secretary of the Workers' Central Union of Cuba.

Extending a welcome to the Cuban visitors on behalf of the party Central Committee, Song said as nations practicing the socialist system, both China and Cuba should exchange experiences and support each other while the trade unions of the two countries should also strengthen cooperation.

On the future of socialism, Song said that if there is a strong Communist Party the current difficulties can be overcome.

He spoke highly of the Cuban Communist Party for its firm stance on pursuing the socialist road and its way of maintaining close ties with the masses.

Song Ping also briefed the visitors on the CPC, democratic parties, workers, intellectuals, and people of minority nationalities.

Song asked Ross to convey regards from General Secretary Jiang Zemin, Premier Li Peng and other Chinese leaders to President Fidel Castro Ruz. Ross also conveyed Castro's greetings to the Chinese leaders.

During the 40-minute meeting, Song also briefed the Cuban guests on the situation in China.

Describing his current China tour as successful, Ross said it would serve to promote the relations between the trade unions of the two countries.

"Socialism will continue to develop and will not perish in the 20th century and the next," Ross said.

Present at the meeting was Ni Zhifu, vice chairman of the Standing Committee of the National People's Congress and President of the All-China Federation of Trade Unions.

Colombian Report Predicts Good Cooperation

OW0606103490 Beijing XINHUA in English
0721 GMT 6 Jun 90

[Text] Bogota, June 5 (XINHUA)—Colombia and China have broad prospects for promoting bilateral trade and cooperation, says a report issued today [6 June] by Colombia's Press Secretariat.

Summing up the recent trip to China by Colombian Minister of Agriculture Gabriel Rosas Vega, the report notes that the two countries have agreed in principle to the creation of a joint venture for the production and export of flowers, the exchange of technology for coffee processing and the development of sericulture.

During Rosas Vega's visit to China from May 6 to 13, the two countries signed accords to start the process of technical, agroindustrial and commercial cooperation.

Meanwhile, the Colombian minister also reached an agreement with China on agricultural development.

Other cooperative projects are also under consideration on the use of energy in rural areas, the exchange of agricultural machinery, Colombian counseling in the production of brucellosis vaccine in China, Chinese counseling in forestry, fresh water fishing, and studies for bamboo growing in Colombia.

The report shows that these plans outlined by the two countries will allow for the establishment of technological and scientific exchange beneficial to both nations.

Political & Social

CPC 'To Deal Severely' With Student Unrest

HK0706135390 Hong Kong Asia Television Limited
in English 1230 GMT 7 Jun 90

[From "Main News" program]

[Text] [Announcer read report shows medium shot of announcer with a color drawing of Tiananmen Square, students' tents and the "Goddess of Democracy" statue in the background] China's ruling Political Bureau has decided to deal severely with students who took part in a two day protest in Beijing University earlier this week to mark the first anniversary of the Tiananmen massacre. An informed Communist Party source says that the Political Bureau held an emergency late night meeting and branded the protest as organized and planned. The meeting was held after about a thousand students took part in the rally and threw bottles from their dormitory windows. [Background illustration changes to show a drawing of handcuffed hands.] Meanwhile, Chinese playwright Wang Beigong has been arrested and charged with counterrevolutionary activity as well as harboring student leader Wuer Kaixi.

Hong Kong Monthly Cited on Li Peng Resignation

OW0706141690 Tokyo KYODO in English
1402 GMT 7 Jun 90

[Text] Hong Kong, June 7 KYODO—Chinese Premier Li Peng, stung by criticism over the handling of demonstrations prior to the 1989 Tiananmen Square crackdown, has handed in his resignation recently, the Chinese-language MIRROR monthly reports in its June edition.

The Hong Kong-published magazine, which goes on sale Friday, reports that Li wants to step down from his current position in the Beijing government and return to his original job, which was reported to be in electrical power.

The magazine did not detail when Li supposedly submitted his resignation nor the specific reasons for his decision to quit.

According to the magazine report, Beijing intellectuals have learned that the Chinese premier has come under criticism within the Communist Party.

Jiang Zemin, the party's general secretary, told an American ABC television interview on May 2 that if decisive measures had been taken last year to prevent the gathering of pro-democracy demonstrators in Tiananmen Square, the situation could have been more easily managed.

Instead, Chinese troops were called in to dispel the demonstrators killing hundreds, and perhaps thousands, when they fired into the unarmed crowd—earning worldwide condemnation of the suppression.

This criticism by Jiang of Li and then party leader Zhao Ziyang became widely known among the Beijing intellectuals, the magazine reports.

The magazine contends that the bold criticism of Jiang had the tacit approval of China's paramount leader Deng Xiaoping, indicating Deng's disapproval of the handling of the demonstrators by Li and Zhao.

More on Release of 97 Political Prisoners

HK0706014190 Hong Kong SOUTH CHINA
MORNING POST in English 7 Jun 90 pp 1, 10

[By John Kohut in Beijing]

[Text] China announced the release of another 97 political prisoners yesterday, including two Beijing students on the Government's most wanted list for their role in last year's anti-government demonstrations.

It was the first time any of those on the list, issued nine days after the Beijing massacre, had been set free.

Diplomats and Chinese sources believe the release—the third announced since last June—is aimed at winning the Chinese leadership some favour from its disgruntled people, and at improving the Government's image abroad.

The 97 included Hong Kong student, Mr Yiu Yungchin.

A Chinese official told a Western diplomat that the release of Shanghai activists was directly aimed at "improving the city's investment climate".

The move came three days before Shanghai mayor, Mr Zhu Rongji, was due to arrive in Hong Kong for a one-week visit to drum up investment for his foreign currency-hungry city.

A spokesman for the Ministry of Public Security said all those released had "pleaded guilty and voluntarily confessed their wrongdoings and expressed a willingness to repent", according to a NEW CHINA NEWS AGENCY (NCNA) report.

The spokesman referred to them as "law breakers" who had been given "lenient treatment"—the same language used by officials on May 10, when 211 political activists were set free, and in January when 573 were set free.

The names of only five political prisoners, including that of Mr Yiu, were given in the NCNA report.

The most prominent were Mr Zhou Fengsuo, 23, and Mr Xiong Wei, 24, both students of the prestigious Qinghua University in Beijing and were arrested less than 24 hours after the state media broadcast the most wanted list on June 13 last year.

Mr Zhou, number five on the list, was turned in by his elder sister and brother-in-law near the central city of Xian. A physics student and member of the standing committee of the Beijing Autonomous Students' Union, Mr Zhou was reported to have fled Beijing on June 7.

Mr Xiong, 24, a student of the Department of Radio, was 20th on the wanted list. According to Chinese reports, he

was taken to the police by his mother on June 14 while travelling on a train from Shenyang, where he had been hiding, to Beijing.

During the student protests, Mr Xiong co-ordinated medical teams helping hunger strikers in Tiananmen Square. He was also involved in an attempt to send an appeal from the hunger strikers to the United Nations and the Red Cross.

Of the 76 released in Beijing, 21, including Mr Zhou and Mr Xiong, were students. There were no clues as to the identity of the others.

The Shanghai activists set free on Tuesday included Mr Yang Lujun, a researcher at the Shanghai Academy of Social Sciences, and Mr Chen Qiwei, deputy director of the economics department at the East China Normal University.

In September, a Chinese newspaper accused Mr Chen of inciting students to protest.

It was not possible to confirm whether any of the activists had made confessions, as reported by the NCNA.

The NCNA said they had been "released upon completion of investigations", but there was no mention of any trial, even though Chinese law stipulates that cases of the accused should be sent to court within six months.

By the Chinese Government's count, 355 political activities now remain in prison in Beijing.

There was still no word on the whereabouts of China's only three active dissidents—Taiwan-born singer Hou Dejian, Mr Zhou Duo and Mr Gao Xin.

The three mysteriously disappeared a week ago, failing to hold a planned press conference where they were to reveal an open letter asking for the release of political prisoners.

The three are believed to be under detention.

'Text' of Fang Yi Speech at Opium War Forum

OW'0406185290 Beijing Domestic Service in Mandarin 0115 GMT 4 Jun 90

["Full text" of the opening speech by Fang Yi at a forum on 3 June marking the 150th anniversary of the Opium War, sponsored by the National Committee of the Chinese People's Political Consultative Conference]

[Text] Comrades, we are now holding a forum to mark the 150th anniversary of the Opium War. We have selected this date because the year before the Opium War broke out, Lin Zexu banned and confiscated a large amount of opium smuggled by British and American merchants and destroyed the narcotics at Humen near Guangzhou. June 3 was the first day that the drugs were burned. This is a day to remember. Valuing the interests of the people and the country above anything else and ignoring his personal safety and losses, Lin Zexu rose against foreign aggressive forces and held high the first banner against aggression in modern Chinese history,

thereby amply embodying the Chinese people's soaring patriotism and unyielding integrity.

The Opium War was the beginning of a series of wars of aggression launched by the imperialist powers against China. Since then, they have repeatedly imposed unequal treaties on China, depriving it of its independence and sovereignty, subjecting the country to galling shame and humiliation, and causing grave suffering to the Chinese people of all nationalities. Oppression and plundering by the imperialists were the roots of modern China's poverty, weakness, and backwardness.

The Opium War marked the beginning of historic changes in the land of the Chinese nation. While turning China into a semi-colonial and semi-feudal nation under the manipulation of imperialist powers, the Opium War also incited one generation after another of Chinese patriots and ordinary Chinese people, not resigned to China's subjugation, to fight unflinchingly against the imperialists and make heroic sacrifices which have been recorded in chapters of history.

In the struggle for liberation, the Chinese people experienced all kinds of difficulties and obstacles, made countless sacrifices, and finally, under the leadership of the CPC, overthrew the three big mountains [imperialism, feudalism, and bureaucratic capitalism], thereby ending the tragic history of a semi-colonial and semi-feudal state and declaring the birth of an independent, free, democratic, and unified New China on the road toward strength and prosperity.

Past experience, if not forgotten, is a guide for the future. The descendants of the Chinese nation will never forget the Chinese people's humiliation and suffering caused by imperialist oppression; they will never forget the tradition and meritorious deeds of struggling and making sacrifices for the country and the people, which were performed by hundreds of thousands of patriots and revolutionary pioneers. The times of bullying and enslaving the Chinese people are gone, never to return. An independent socialist New China with initial prosperity and strength stands proudly like a giant in the Orient. Hong Kong, which China was forced to cede after the Opium War, will soon return to the embrace of the motherland. Every patriotic son and daughter of the Chinese nation is proud of our socialist motherland.

China's modern history has proven an irrefutable truth that only socialism can save China. The Chinese people cherish very much the choice of the socialist system and national independence and dignity won as a result of the struggle by several generations of people. We will persist unswervingly in taking economic construction as the central task, upholding the four cardinal principles, and adhering to the correct principles of reform and opening. China will not in the least close its door and isolate itself, and is willing to promote relations with countries all over the world under the five principles of peaceful coexistence. However, we will on no account yield to any kind of pressure from outside, and resolutely will oppose any

interference in our internal affairs and conspiracy to carry out peaceful evolution in China. We also look down upon the political trash who have not any sense of national dignity and sold out to foreign reactionary forces. The Chinese people have high aspirations and the ability to realize them. We certainly will be able to rely upon ourselves in building China into a modern socialist power and contribute more to safeguarding world peace and the cause of human progress.

Beijing Atmosphere on 4 Jun Anniversary Reported

*OW0606192690 Beijing in English to North America
0400 GMT 6 Jun 90*

[From the "Current Affairs" program]

[Text] One year ago on 4 June, the Chinese Government cracked down on the counterrevolutionary rebellion in Beijing. On that same day this year, the atmosphere of the city was calm and quiet. Here is Zhang Jiaping with the XINHUA NEWS AGENCY report:

Millions of local residents went about their business as usual on Monday, 4 June. The day was very calm. As the 11th Asian Games approach, the pace of the preparation work escalates. In the early morning on Monday, at least 1,000 volunteer drivers for the 11th Asian Games parked their vehicles at the Tiananmen Square and then attended a meeting at the Great Hall of the People west of the square. The meeting was sponsored by the Organizing Committee for the 11th Asian Games and was aimed at helping drivers provide good services to the games held in September. A 39-year-old driver, Zhao Qinglian, from the Beijing Carpet Import-Export Corporation told the XINHUA reporter that he felt honored to speak at the meeting on behalf of all the drivers. He said that he was pleased to do his part for the games.

Around the Tiananmen Square, Chinese and foreign tourists (?looked) at Tiananmen Gate Tower, the Cultural Palace of the Working People, Zhongshan Park, and Chairman Mao Zedong Memorial Hall. Many of them signed their names on the 10,000-meter long ribbon—an activity organized by the Beijing Tourism Administration to promote the Asian Games.

Downtown in the bustling Xidan Food Market, the shop manager said that 10,000 customers shopped at his market on Monday. Down the street, the Beijing Department Store reported that about 130,000 customers passed through its doors.

Meanwhile, the campuses of the colleges and universities in Beijing were relatively quiet. At Beijing University, students attended classes or studied in libraries. Some could be seen relaxing by the side of the lake located in the center of the campus. According to administrators of the university, almost all the students attended classes on Monday as usual.

However, at about 1030 on Sunday evening, some students started disturbances in several dormitories. Several dozen students, including some foreign students, smashed bottles, broke windows, sang songs, and shouted slogans. They later gathered at a spot on the campus known as the Triangular Place. Some students made speeches to the crowds they had attracted. At one point, the group of onlookers grew to several hundred. A school staff persuaded the students to break up the gathering and they soon left.

That was Zhang Jiaping with XINHUA NEWS AGENCY's Monday report on the life in Beijing on 4 June.

Student Organizations Active on Beijing Campuses

*OW0606140290 Beijing XINHUA in English
1332 GMT 6 Jun 90*

[Text] Beijing, June 6 (XINHUA)—A variety of associations and clubs in universities and colleges in the Chinese capital are attracting more and more student members these days.

Students at Beijing University have set up more than 50 organizations which cover such fields as relics protection, industrial management, socialism and Marxism, astronomy, mountaineering and qigong (a traditional Chinese type of yoga).

Li Zeng, a sociology major, together with two of his classmates, initiated a song and dance club. "We are very popular on the campus," Li said. "We are learning traditional Chinese dances, ballet and social dances".

Yang Zhibin, a geology major, is a member of the astronomy society of the university. He told XINHUA that members of the society observed a comet recently with telescopes.

At Qinghua University, one of China's most prestigious science and engineering universities, scientific and technological associations have been set up in all its departments. Student members use what they have learned to develop new products and train themselves professionally through practice.

Chen Sheng, an electrical engineering major, and 20 of his fellow students developed a paper scanner with the help of their teachers. It will be used to go over college entrance examination papers this year. "We are very proud that our paper scanner is up to the international standard and cheaper than similar products made in foreign countries," Chen said.

Meanwhile, scholars, actors and actresses have been invited by student organizations to give lectures and performances on campuses.

Students Abroad Encouraged To Serve at Home

OW0606083790 Beijing XINHUA in English
0630 GMT 6 Jun 90

[Text] Beijing, June 6 (XINHUA)—The Ministry of Personnel in the past half year has developed more policies to encourage students studying abroad to return to serve at home.

Today's OVERSEAS EDITION of the "PEOPLE'S DAILY" reported that in April the ministry published measures on readjustment of work for those who were improperly assigned.

This measure is designed to better utilize the skills of returning students.

According to the paper, a ministry official said that since 1985 the Ministry of Finance has allocated several million yuan a year to assist returning students to conduct scientific research.

The official was also quoted as saying that centers have been set up in Dalian and Ningbo Cities to assist returning students find suitable work.

Li Ruihuan, Li Tieying at Children's Work Forum

OW0606104490 Beijing XINHUA Domestic Service
in Chinese 1131 GMT 31 May 90

[By reporter Sun Benyao (1327 2609 1031)]

[Excerpts] Beijing, 31 May (XINHUA)—To celebrate the 1 June International Children's Day, the CPC Central Committee held a forum on the work related to children at Huarentang Hall in Zhongnanhai this afternoon.

The forum was attended by Li Ruihuan, member of the Standing Committee of the Political Bureau and the Secretariat of the CPC Central Committee; Li Tieying, member of the Political Bureau of the CPC Central Committee and state councillor; Ding Guangen, alternate member of the Political Bureau and member of the Secretariat of the CPC Central Committee; Chen Muhua, vice chairman of the National People's Congress Standing Committee and chairman of the All-China Women's Federation; officials from various provinces and municipalities, and the relevant central ministries and commissions; and people who are engaged in work related to children in various circles in the capital, totalling more than 100 people.

Ding Guangen chaired the forum.

Li Tieying spoke at the forum. [passage omitted]

Chen Muhua made a speech, entitled "Ensure a Good Job of Work Related to Children With a Strong and Pressing Sense of Mission." She put forward a four-point suggestion for improving the work: 1) We should better understand the importance of work related to children and foster a strong and pressing sense of mission; 2) In order to improve the quality of the nation and train a

new generation of socialist minded people, we should fully mobilize the whole society to ensure a good job of work related to children; 3) We should pay close attention to planning work related to children; 4) We should try our utmost to do a few things for children.

Responsible persons of the relevant central ministries and commissions and some provinces and municipalities aired views on improvement of work related to children. Among the speakers were Chen Changben, member of the Party Group of the Ministry of Culture; He Jiesheng, vice minister of health; Chen Shineng, vice minister of light industry; Liu Bin, vice minister in charge of the State Education Commission; Zheng Jiucan, vice mayor of Liuzhou City in Guangxi; Liu Ronghui, vice governor of Hebei; Liu Fengyan, secretary of the Hexi District Party Committee in Tianjin Municipality; Gao Fuming, vice chairman of the Anhui Provincial Women's Federation; Pan Lei, a teacher of the Xuanwu District Experimental Primary School in Beijing; and Zhu Zonghan, director of the Beijing Pediatrics Institute.

At the beginning of the forum, young pioneers of Beijing Municipality presented red scarves to the forum attendees. A lovely young pioneer representative said: On the eve of the jubilant 1 June International Children's Day, the party Central Committee is holding an important meeting especially to discuss the ways and means to improve work related to us. For this, we are very happy. We will study hard, strive for progress everyday, and be a new generation of people who are better educated, and have noble ideals and a sense of morality and discipline.

Li Tieying Addresses Forum

OW0606043190 Beijing XINHUA Domestic Service
in Chinese 1218 GMT 31 May 90

[Text] Beijing, 31 May (XINHUA)—Speech delivered at the forum on child-related work

Li Tieying

(31 May 1990)

Dear comrades:

"The First of June" this year marks the first Children's Day of the 1990s. First, on behalf of the party Central Committee and the State Council, I would like to wish children of all ethnic groups throughout the country a happy holiday! I would also like to extend my high respect and cordial regards to teachers, people engaged in child-related work, and parents—all of whom have been working hard for the wholesome development of children!

Our future depends on education. It should start with children. Education lays the foundation upon which we may improve the quality of our nation. Today, we are not only are challenged by the rapid development of modern science, technology, and the economy, but are also engaged in a struggle against "peaceful evolution." Cultivating our children to become builders of our socialist modernization programs and successors to the

revolutionary cause of the proletariat is a major task on which hinges the future and destiny of our motherland. Currently, both the party and the whole nation have the common understanding of the importance of work related to children. More and more citizens across the country involve themselves in "loving, educating, setting an example, and doing useful services, for children." The whole of society cares about the wholesome development of our children. The flowers of our motherland, under the meticulous care and cultivation of the party and the people, live happily and grow sturdy. Full of vigor and vitality, this new socialist generation, represented by "young hero" Lai Ning, love their motherland, are industrious in their study, and see "the interests of the people above everything else."

Along with our country's socialist modernization programs, child-related undertakings have made considerable progress. Much has been done in bearing, raising, and educating children, with remarkable results. However, being a populous nation, we have a large number of children. There are more than 300 million children aged 14 and below, representing 30 percent of the total population. The number of only children has increased. The task of producing new generations with better genetic traits and of raising and educating them well is very arduous. Last year's struggle to stop turmoil and quell the counterrevolutionary rebellion made us more aware of the urgency, as well as the need, to improve the quality of our children, especially their moral standards. In our child-related work, we must persist in the correct political orientation and adhere to the policy of all-around cultivation of morals, knowledge, sports, the arts, and labor. Centering on the policy of producing new generations with better genetic traits and of raising and educating them well, we should try to provide our children with rich and quality nourishment for both the body and mind, in the form of education, culture, the arts, sports, health care, food, and articles for daily use. We should create a favorable social environment and integrate school, family, and social education. Young pioneer organizations should fully carry out their functions. We should ingrain fine moral character in our children at a very young age. In addition, we should cultivate their intelligence, enhance their physical strength, and instill in them lofty ideals, patriotism, and collectivism, to help them lay a good foundation for carrying out socialist modernization programs and make a new generation with ideals and morals, educated and well-disciplined.

"It takes 10 years to grow trees, but a hundred to rear people." Cultivating people takes a long time. It is not an easy job, and it requires perseverance and continuity. Besides, child-related work is comprehensive social system engineering. It involves many disciplines and specialties, as well as various sectors of society. It also requires financial and material resources. Governments at all levels must be foresighted. In line with the principle that "education should be geared to modernization, the world, and the future," they should comprehensively plan to make scientific decisions. Taking into account

both the situation of our country and the realities of their own localities, in keeping with the state's personnel requirements for the 21st century, they should formulate a plan to develop local child-related undertakings and systematically carry out child-related work.

Today, we discussed and shared experiences about planning for the development of child-related undertakings. Some of us have formulated programs for developing child-related undertakings during the "Eighth Five-Year Plan." Others have made plans for up to the year 2000. Still others shared their experiences during the "Sixth Five-Year Plan" and the "Seventh Five-Year Plan." Planning is of strategic significance and should be encouraged. Planning helps enhance the leadership of party committees and governments at all levels over child-related work. Planning divides the work and makes various government departments responsible for the portions assigned to them. Planning coordinates the efforts of various sectors of society. Planning persuades the people to care about child-related undertakings. The State Council will formulate its guiding policy and program for child-related work, based on your programs. It will ask the State Planning Commission, as well as various localities and departments, to include child-related work in their "Eighth Five-Year Plan." Dear comrades, the last 10 years of this century is very crucial to the social and economic development of our country. We must make every effort to ensure that child-related work is in keeping with our social and economic development. In formulating the next five-year plan, I hope governments at all levels and various departments will incorporate programs for developing child-related undertakings in their master programs for economic and social development and take effective measures to carry them out, making child-related work regular and important in both party and government. I believe: With due attention from party and government leaders at all levels, concerted cooperation of various sectors of society, energetic support of the people, and industrious effort of those engaged in child-related work, child-related undertakings will enjoy a faster and better growth, our socialist modernization programs will be accomplished, and the revolutionary cause initiated by the older generation of proletarian revolutionists will be carried on and flourish.

Li Ruihuan Article in Tianjin CPC Publication

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[Text] The 5 June ZHIBU SHENGHUO [PARTY BRANCH LIFE], the organ of the municipal party committee, carried an article by Li Ruihuan, member of the Standing Committee of the Political Bureau and member of the Secretariat of the CPC Central Committee, which was entitled "Scientifically Understand the Position and Role of Ideological and Political Work."

The article points out: Since the fourth plenary session of the 13th party Central Committee, the entire party has

calmly thought about the past and the future and summarized the grave lessons gained from last year's political storm, thus enhancing our understanding of the necessity and importance of successfully carrying out ideological and political work. Thanks to wide attention given to this issue, the situation of being strong in building the material civilization and weak in building the spiritual civilization, which existed for a time, was improved. The entire political and ideological front has taken a turn for the better. This is a very encouraging phenomenon. When reviewing history, we have to admit that regarding the issue of how to treat ideological and political work, we had many successful experiences and also failures from which we should draw lessons. Therefore, our understanding of the major issue of ideological and political work should not stay at the stage of naive feeling. Instead, we should conduct theoretical study and exploration of it so that we can gain a scientific and firm understanding, fundamentally understand the necessity of making ideological and political work successful from the viewpoint of the objective necessity of building socialism with Chinese characteristics, and raise our awareness in making this work successful. Only in this way can we guard against (both leftist and rightist) interference and, when carrying out future work, avoid and reduce the same mistakes we committed in the past.

Party Policy on Improving Lives of Intellectuals

HK0506034990 Beijing RENMIN RIBAO in Chinese
14 May 90 pp 1, 2

["Dispatch" by reporter Yin Pinduan (1438 0756 4551): "Doing a Still Better Job of Work for Intellectuals—Liu Zepeng, Deputy Head of the Organization Department of the CPC Central Committee, Interviewed on the Speech Delivered by General Secretary Jiang Zemin at the 4 May Report Meeting"]

[Text] 13 May, Beijing (RENMIN RIBAO)—This reporter recently interviewed Liu Zepeng, deputy head of the Organization Department of the CPC Central Committee. I asked him, in line with the speech given by Comrade Jiang Zemin at a report meeting for the youth of the country's capital in celebration of the May 4th Movement, to give an account of the work for intellectuals over the past few years and of how to do an even better job of that work. Liu Zepeng pointed out: The speech by Comrade Jiang Zemin reflects the party's ardent expectations and requirements of intellectuals in our country. It clearly shows the direction of how to do a still better job of the work for intellectuals and is a programmatic document for that work. The publication of the speech has found a strong echo in the hearts of most intellectuals and was warmly welcomed by cadres at different levels. An in-depth study and understanding of the speech is of great immediate and far-reaching historical importance in better carrying out the party's policy toward intellectuals, further strengthening and improving the work for intellectuals, giving full play to

the initiative and creativeness of intellectuals, and quickening the pace of socialist modernization with Chinese characteristics.

When asked how to estimate the work for intellectuals since the Third Plenary Session of the 13th CPC Central Committee, Liu Zepeng pointed out: Since the Third Plenary Session of the 13th CPC Central Committee, the work for intellectuals in our country has entered a new historical period and realized remarkable achievements because of hard work by the whole party.

First, in the spirit of seeking truth from facts, our party has firmly corrected the "leftist" errors in the work for intellectuals, thoroughly redressed wrongs suffered by intellectuals unjustly, falsely, and wrongly charged, rehabilitated their reputations, and made proper arrangements for their work. Meanwhile, proper arrangements were also made for children of some intellectuals who had suffered wrongs. This has enabled intellectuals who were unfairly treated to drop their political burden and plunge with a light heart into socialist construction.

Second, our party has put forward the correct policy of "respecting knowledge and talented people," reaffirmed the scientific inference that intellectuals constitute as part of the working classes, and emphasized that—like workers and peasants—intellectuals are a force that the socialist cause counts on. All this has gone into our country's Constitution. Over the past 10 years, the party and government have formulated and proclaimed a series of policies and regulations relating to intellectuals, including the assessment of their professional ranks and posts, salaries, awards, medical treatment and health care, housing, solving the problem of married couples living in two separate places, part-time jobs for scientific and technical personnel, and rational transfers of talented people. Thus, favorable conditions for intellectuals to display their ability have gradually been created.

Third, vigorous efforts have been made to recruit new party members from outstanding intellectuals. According to statistics, between 1979 and 1989, a total of 2.75 million outstanding intellectuals joined the CPC throughout the country and party members from all types of technical personnel accounted for nearly one-third of the total.

Fourth, in accordance with the "four modernizations" policy, and in line with the requirements of having both ability and political integrity, party committees and governments at different levels have trained and promoted a large number of outstanding intellectuals to different-level leading posts. So far, over 1 million cadres with professional knowledge have assumed leading posts in party and government departments at different levels. In these leading posts, most of the comrades have played an important part in creating a new situation in different fields of work with a pioneering spirit of forging ahead and their full political enthusiasm and abundant professional knowledge.

Fifth, the party and government have made great efforts to improve working conditions for intellectuals and raise their living standards. In the recent readjustment of salaries, special efforts were made to raise the salary scale of professional and technical personnel. China now has a total of more than 23 million professional and technical personnel. Of these, 950,000 have been conferred with titles of senior professional and technical posts and 5.42 million have titles of middle-grade professional and technical posts. Meanwhile, some of the problems relating to salaries and other matters have been correspondingly resolved. In 1984, the CPC Central Committee Organization Department, together with other departments and committees concerned, jointly issued a document—"Priority Is Given To Raising the Living Standards of Middle-Aged and Young Scientists, Technicians and Managerial Experts Who Have Made Outstanding Contributions." By the end of 1989, more than 2,000 experts throughout the country had been promoted to salary scale grade 3 or 4 and accorded relevant treatment in other fields. In addition, about 30,000 outstanding experts and top-notchers at different levels had received life allowances or salary increases. According to incomplete statistics, problems of changing children's agricultural residence permits into nonagricultural residence permits, and transferring married couples living in two separate places—accounting for more than 1.4 million intellectuals—have been solved, and over 300,000 experts have been given preferential medical care.

Asked what problems currently exist in the work for intellectuals, Liu Zepeng said much has been achieved in this field but there are still some problems calling for immediate solutions. The major ones are: Some localities and departments still lack the idea of "respecting knowledge and talented people," pay inadequate attention to intellectuals, make improper use of intellectuals, and even adopt repressive measures against talented people. The failure to address some problems which can be resolved has dampened the enthusiasm of some intellectuals. Ideological and political work is weak in the ranks of intellectuals and endeavors to educate and give guidance to intellectuals, and young ones in particular, are insufficient. Meanwhile, we have failed to conduct education among intellectuals about the actual conditions of the state, patriotic education, and education about hard working and revolutionary traditions in light of their characteristics and weakness. We have failed to constantly guide them to study Marxism-Leninism-Mao Zedong Thought, uphold the four cardinal principles, combat bourgeois liberalization, integrate themselves into society and with the masses of workers and peasants, and follow the road of being both socialist-minded and vocationally proficient. As a result, a small number of intellectuals cannot distinguish clearly between right and wrong and are confused about some major problems of principle. Some irrationalities still exist in salary scales for intellectuals and the problem has not yet been basically solved. Other problems, such as

egalitarianism in distribution and the practice of "everybody eating from the same big pot," still prevail in the ranks of intellectuals.

When this reporter asked him how to do still better the work for intellectuals, Liu Zepeng said in reply: Generally speaking, it is necessary to implement, in an all-around way and in earnest, the guidelines of the speech by Comrade Jiang Zemin, continue to carry out the series of principles and policies formulated by the party and government since the Third Plenary Session of the 13th CPC Central Committee, sum up experience, draw lessons, add to achievements, correct what is incorrect, and work hard to do still better work among intellectuals. At present, attention should be given to work in the following areas:

1. Party organizations at different levels should strengthen their sense of responsibility and urgency in doing still better work among intellectuals and take it as an important task, which should be discussed and examined at regular intervals. Organization departments of party committees at different levels should assume the responsibility of giving guidance, examining, and coordinating the work and grasp the work firmly in cooperation with the departments concerned.
2. Effective measures should be adopted to beef up ideological and political work among intellectuals. Leaders at different levels should often go down to the ranks of intellectuals to give an account of the political situation, publicize the party's principles and policies, understand how they think, work, and live, listen attentively to their opinions and voices, and conduct thoroughgoing and painstaking ideological work in light of their special features. Special attention should be paid to ideological and political work among young intellectuals, to help them integrate themselves with social practice and with the masses of workers and peasants and be both socialist-minded and vocationally proficient so that they will grow in a healthier way.
3. Organization departments of party committees should directly control and have a number of outstanding experts and top-notchers in hand. They can unite and keep contact with the broad masses of intellectuals through these intellectuals who are good in the political aspect, have a fairly high level of academic knowledge and vocational proficiency and a certain degree of prestige, to increase the cohesiveness and appeal of the party among intellectuals.
4. Party committees at different levels should create conditions to help intellectuals integrate themselves with social practice, and with the masses of workers and peasants, and help them work for production, scientific and technological advancement, and social progress in different forms and dedicate their intelligence and wisdom to the building of the two civilizations.
5. Continuous efforts must be made to create better working and living conditions for intellectuals. Earnest efforts should be made to solve those problems which

should and can be solved. We should take some steps for improvement every year. With regard to some problems, if conditions are not present for solving them at the moment, we should explain this clearly and make them understand, but we should make still greater efforts to solve those problems step by step.

Liu Zepeng said, in conclusion, that he sincerely hopes all intellectuals will give their criticisms and suggestions to organization departments of party committees at different levels to help them improve their work and do still better the work for intellectuals.

Multiparty Ties, Cooperation Encouraged by CPC

*HK0606081890 Beijing RENMIN RIBAO in Chinese
14 May 90 p 5*

[Article by Gao Wenshan (7559 2429 0810): "Making Bosom Friends"]

[Text] According to the "Guidelines Proposed by the CPC Central Committee for Upholding and Improving the System of Multiparty Cooperation and Political Consultation Under the Leadership of the CPC", "responsible persons of the CPC party committees at various levels must keep in contact with responsible persons of the democratic parties so that they can become close friends benefiting from each other's frank criticism and can understand and help each other politically and ideologically." In the "Decision on Strengthening Ties With the Masses" passed by the Sixth Plenary Session of the 13th CPC Central Committee, it was also emphasized that "leading cadres should befriend workers, peasants, intellectuals and other people who dare to tell the truth." It seems that CPC members befriend the masses, and especially democratic party members and democrats with no party affiliation, is neither a personal matter nor negligible trivia, but an important task concerning the maintenance and development of flesh and blood ties between the party and the broad masses of the people, and the improvement of multiparty cooperation under the CPC's leadership.

Responsible party comrades' befriend of non-CPC personages is not the same as their befriend the broad masses of the people. First, their targets are different. While responsible comrades in the party are leading members of the party organization at the various levels or responsible cadres of administrative departments, they are also ordinary people who work in cooperation with members of democratic parties or democrats with no party affiliation. They should be enthusiastic and take the initiative in making friends with such persons. Second, we should understand the special characteristics of members of democratic parties and democrats with no party affiliation. They are relatively well educated, have extensive social ties, and are enthusiastic about serving the state. They are also willing to make friends with responsible comrades of the party organization at various levels. Both parties should increase contact with each other, engage in more heart-to-heart talks, get to know each other's viewpoints better, remove ill will,

clarify doubts, and gradually deepen the sentiments of "treating each other with all sincerity and sharing weal and woe".

Comrade Zhou Enlai especially underscored the importance of CPC members making more friends who benefit from each other's frank criticism. He himself was an example for the whole party to follow. It has been proven by practice that it is not a simple matter to make friends with non-CPC personages and engage in heart-to-heart talks with them, let alone be friends who will benefit each other by giving frank criticisms. According to past experience, I feel that attention should be placed on the following aspects: First, responsible comrades of the party should take the initiative and be enthusiastic. They should refrain from putting on airs. They should visit their friends, make appointments to see them, or extend invitations, and they should be sincere in discussing matters with them, and modest in learning from them.

Secondly, the spirit of democratic consultation should be put into effect, and intellectuals and talents should be respected. In work, they should be given support, so that they have authority and responsibility which are commensurate with their posts; politically, they should be given consideration and assistance; in their livelihood, they should be shown solicitude, and some of their actual problems should be earnestly resolved. Special attention should be placed in furnishing frequent reports on the situation. Problems and misunderstandings should be promptly ironed out. There should be mutual understanding and accommodation, so that both parties will be well acquainted with each other and will harbor no suspicions about each other.

Furthermore, we should be extremely open minded, and we should respect different opinions. Under the premise of upholding the four cardinal principles, we should seek common ground on major issues while reserving differences on minor ones. To their criticisms and opinions, we should correct ourselves if we are at fault and remind ourselves not to commit such errors if we are not. We should welcome their criticisms and opinions enthusiastically. We must never find fault with them and denounce them. When we discover the other party's mistakes or shortcomings, we should promptly, frankly yet gently remind them.

Democratic party members and democrats with no party affiliation are the close friends of Communist Party members. Through them, we can listen to the calls, requests, criticisms and opinions of the masses, and promptly detect problems. Not only will this contribute to stability and unity, and the development of all undertakings, but it will also contribute to the establishment of an honest and clean government, and the improvement of the party's leadership style.

MING PAO Views Failure of Press Reform

HK0706060690 Hong Kong MING PAO in Chinese
7 Jun 90 p 54

[Article by staff reporter: "Press Reform Fails As a Result of All-Around Rectification Following the 4 June Incident"]

[Text] The CPC has blamed the "4 June incident" on the prolonged spread of bourgeois liberalization. Therefore, since its suppression of the prodemocracy movement, it has made much effort to recover the ideological field and strengthen ideological and political education, while "carrying out rectification on the one hand and promoting prosperity on the other." Li Ruihuan, Political Bureau Standing Committee member in charge of ideology, said during a speech in mid May: "A profound lesson from last year's '4 June storm' is that some central leaders made a mistake in concept; they weakened, negated, and even abolished ideological and political work."

Similar to the campaign against bourgeois liberalization after the 1987 student movement, the CPC has once again heavily pounded the ideological trend of bourgeois liberalization. The press keeps repudiating bourgeois liberalization theories, ideas advocated by "turmoil elites" and their articles and works, such as "River Elegy." Leaders in press and cultural circles have been replaced, an example being the substitution of Cultural Minister Wang Meng by the ideologically leftist He Jingzhi.

The CPC is of the opinion that press units, particularly some principal departments at the central level, provided incorrect guidance during the incident. There is therefore a need to recover press circles and exercise stricter control over newspapers as well as and television and radio broadcasts, so that they "serve the people and socialism" and become the mouthpieces of the party and the government. Departments where deviationist trends were serious during the student movement are being rectified and screened, and their leaders have been replaced. RENMIN RIBAO Director Qian Jiren has been replaced by Gao Di and Chief Editor Tan Wenrui by Shao Huaze. Work teams have been stationed in the XINHUA NEWS AGENCY and RENMIN RIBAO. The chief editors of WENYI BAO and ZHONGGUO FAZHI BAO have been changed. SHIJIE JINGJI DAOBAO and Ge Yang's XIN GUANCHANG [NEW OBSERVER] have been suspended from circulation. Reporters and editors are required to confess what they did during the 50-day student movement and are being given political and ideological education. This all-around rectification and screening indicates a failure in press reform. What appears in newspapers is political propaganda praising the CPC.

A cold wind is blowing in literature and art circles. Cultural Minister He Jingzhi said bluntly that some writers and works would be subjected to criticism. He added: "Without adhering to the four cardinal principles and opposing bourgeois liberalization, prosperity in literature and art will be unreliable." Literature and art must serve politics, the people, and socialism. The policy

of "letting a hundred flowers blossom and a hundred schools of thought contend" must be upheld. The spirit of the "Talk at Yanan Forum on Literature and Art" delivered by Mao Zedong in 1942 must be put into effect. In such cases "ten thousand horses immediately stand mute" for fear of trouble.

To win popular support, the CPC is conducting a campaign against "pornography" and the "six vices" in which obscenity in newspapers, magazines, audiotapes, and videotapes is being wiped out; prostitution, gambling, drug addiction, abduction of women and children, feudal superstition, and pornographic publications are being uprooted—all aimed at purifying the social environment.

In the course of rectification and retrenchment the CPC is also strengthening political and ideological work throughout the country by applying the old methods from the 1960's. In particular, it is enforcing political and ideological education in Marxism-Leninism-Mao Zedong Thought among university students to help them understand China's national conditions. The students must attend political classes every week and write self-criticisms on what they did during the student movement. A patriotic education campaign against bourgeois liberalization is being carried out across the country, during which typical figures from the 1960's are cited to display the spirit of hard struggle, self-reliance, and being brave in making sacrifices. In this event the most extensive movement is learning from Lei Feng, who has been made a typical example of a Communist Party member who loved the country, the party, and socialism, studied hard, served the people, and displayed a selfless spirit for his whole life. His "screw spirit" is being widely propagated for the purpose of unifying ideology and invigorating the nation. Among workers and intellectuals, the CPC is urging an emulation of Wang Jinxi, the iron man of the Daqing Oilfield who was characterized by the spirit of hard struggle and self-reliance. Whereas a model for leading cadres to learn from is Jiao Yulu, Henan's Lankao County CPC Committee secretary in the 1960's who served the people heart and soul.

This year is the 150th anniversary of the Opium War. China is taking this opportunity to wage patriotic education to repudiate Western imperialist aggression against China. China's relations with Western countries have fallen drastically since the 4 June incident.

Notable Progress in Local Legislation Discussed

HK0706122790 Beijing RENMIN RIBAO in Chinese
18 May 90 p 5

[Article by Cao Wei (2580 3555): "Notable Results Achieved in Local Legislation in China"]

[Text] The "PRC Organization Law for the Local People's Congresses and People's Government at All Levels" adopted by the National People's Congress [NPC] in 1979 for implementation, stipulated that the People's Congress and its standing committees in all provinces, autonomous regions, and municipalities can

also formulate and promulgate local laws and regulations on the premise of not contravening the Constitution, the law, and administrative regulations. The organization law for localities was revised in December 1986, which extended the authority of the localities for legislation, aroused the enthusiasm of the localities for legislation work, and accelerated the pace of legislation. According to statistics, from 1979 to 1989, the 30 provinces, autonomous regions, and municipalities throughout the country submitted 1,724 local laws and regulations to the NPC Standing Committee for the record. The contents of the laws and regulations dealt with politics, finance, economy, education, science and technology, culture, public health, nationality, and building of the People's Congress Standing Committee.

A number of these local laws and regulations served as the complement to the state's relevant laws and administrative regulations. Following the promulgation of the Marriage Law, the provinces and autonomous regions including Tibet, Ningxia, Guizhou, Qinghai, Sichuan, Xinjiang, and Nei Monggol also formulated supplementary regulations and flexible methods for implementing the marriage law. To implement the "Compulsory Education Law," 23 provinces, autonomous regions, and municipalities respectively formulated regulations and methods for popularizing compulsory education suited to local conditions. The 30 provinces, autonomous regions, and municipalities throughout the country formulated detailed rules and regulations for elections in light of the election law, which effectively ensured the rights and bounden duties of every citizen in participating in political affairs and state administration.

Regarding the prominent problems and the fields where there are no formal state legislation, some provinces and cities have worked out a number of local rules and regulations in light of the state's relevant principles and policies. The "Regulations Prohibiting Gambling" in Jiangsu and Yunnan, the "Regulations for Protecting Teenagers" in Shanghai, the "Regulations for Protecting Youths" in Beijing, the "Regulations for Protecting the Legitimate Rights of Consumers" in Fujian and Hebei, and the "Regulations for Family Planning" in Liaoning and scores of provinces (autonomous regions and municipalities) have all been formulated to meet urgent local needs and because there is no state legislation.

The "Regulations Prohibiting Births by Those Suffering From Mental Disorder" formulated by the standing committee of the Gansu Provincial People's Congress is China's first regulations drafted by legislative organs prohibiting births by mental patients. The main spirit of the regulations prohibits births but not marriage. This will be of far reaching influence to implementing China's population policy, restricting the growth of population, and improving the qualities of population.

The "Regulations for Protecting the Rights of Citizens in Reporting Offenses to the Authorities" formulated first by Guangdong and Anhui in 1989 legally protected the rights of the citizens to report offenses to the authorities,

encouraged citizens to fight against corrupt practices, promoted the building of a clean government, and gradually established a mechanism exercising supervision over state organs and functionaries. Meanwhile, the regulations have stipulations protecting the legitimate rights of those reporting as well as stipulations punishing the organs and personnel who abuse their power to practice fraud.

Economic laws and regulations, which constitute the largest number, account for 33 percent of the regulations totaling over 1,700. The contents include environmental protection, traffic, urban management and construction plan, and protecting the legitimate rights of the specialized households in rural areas. Some localities and the 14 coastal cities opened to the outside world also formulated a number of regulations to attract foreign investment.

The building of local state organs of power has been strengthened to further program and standardize local legislation work. This is one of the characteristics of the formulation of local laws and regulations in all parts of the country. The country's 30 provinces, autonomous regions, and municipalities promulgated the "Regulations for the Procedures of Formulating Local Laws" and 29 provinces, autonomous regions, and municipalities formulated the "Methods of Personnel Appointment and Removal" and "Rules for the Standing Committee of People's Congresses To Discuss Matters." Some 20 provinces and cities formulated the "Regulations for Supervisory Work," providing legal provisions for the method and procedures of people's congress supervisory work.

Of the local laws and regulations, those on strengthening nationality unity and maintaining social stability account for a certain proportion. In light of the stipulations of the Constitution and regional autonomy law and the political, economic, and cultural features of the nationality areas, all localities have laid down regional autonomy rules and flexible methods. In light of the characteristics of the Tai, Jingpo, Achang, Dengang, Lili, and other minority nationalities residing in the autonomous prefecture, Yunnan formulated the "Regulations for Regional Autonomy of Dehongtai and Jingpo Nationality Autonomous Prefecture" which made stipulations for the specific quotas of minority nationality cadres in state organs. The regulations ensured the rights of minority nationalities to exercise management over their own affairs and also embodied the principles of national equality, unity, and mutual support.

Article Describes Varying Legal Treatment

HK0606142090 Beijing RENMIN RIBAO in Chinese
4 Jun 90 p 6

[Article by Gao Hua (7559 5478): "Analyzing the Notion 'The Law Does Not Apply to the Masses'"]

[Text] The notion "the law does not apply to the masses" reflects a resistance in society to law. People holding such viewpoints think that if the number of people breaking a law is large, the enforcement of the law will

relax, or there will be no attempt to track down who is legally responsible. In our real life there are quite a number of people who believe in the notion that "law does not apply to the masses," and the demonstration of such a belief is often seen. It has not only a great influence but also immense harmful effects. Today, when the socialist legal system is to be strengthened, it is extremely necessary to correct this notion in the context of a legal framework.

Without doubt, under the socialist system law is an expression of the collective will of the working class and the wide mass of people through the will of the state. It protects above all the interests of the greatest number of people. Socialist law corresponds with people's interests. However we cannot infer therein the conclusion that "law does not apply to the masses." The conclusion is a distortion of socialist law and contrasts directly with the spirit of socialist legislation.

"Masses" is a relative concept. In its scope, the working class and the great number of people are the main bodies of the socialist legal system. The socialist system protects the collective interests of the whole body of laboring people. While the "masses" that break the law, viewed from within, may appear large in number, but when compared with the main bodies of the socialist legal system, at any time they will belong to a very small minority. The masses that break the law, whether they did this from good wishes or not, so long as they have broken the law, they infringe upon the fundamental interests of the state and people. Only by punishing "the masses that have broken the law" can the socialist legal system defend the collective interests of the state and the great majority of the people it represents. If law fails to punish these "small number" of masses, the long-termed and fundamental interests of the largest number of people will be harmed.

Speaking in terms of legal characteristics, law is a behavioral norm observed by the whole of society, and guaranteed to be enforced by the state. Any illegal acts will be stopped and punished by law. The iron principle of law is inviolable. Whether in jurisprudence or legal practice, the condition of "law not applicable to the masses" does not exist. Law, as a standard and criterion, is just and fair, and will not change its principle owing to the number of law-breakers. Article 33 of our country's "Constitution" stipulates that: "All citizens of the PRC are equal before the law. If punishment is light because too many law-breakers are involved, law would lose its authority and seriousness. The enforcement of law must be strict, and any law breaking will be investigated—these are the two basic requirements of socialist law in our country. They demand that law enforcing organs and personnel conduct affairs strictly in accordance with the letter of the law, strictly observe the principle of taking facts as the only basis and law the only criterion, be impartial, fair and judicious, investigate the legal responsibility of any citizens or organizations that break the law, and not allow any act or practice which deviates from the prescription of law or distorts it.

Perhaps somebody will ask, since law does apply to the masses, then why is it that not all those who have participated in law-breaking activities are arrested? This is in fact a misunderstanding of the word "apply." Here there are several relationships that need to be straightened out.

First, distinction must be made between what makes a "crime" and what does not. Article 10 of the "Criminal Law" of our country stipulates: "All that endangers state sovereignty, territorial integrity, the proletarian dictatorship system, damage socialist revolution and construction, social order, infringes upon the property owned by all the people or that collectively owned by the laboring masses, citizens' legal personal property, citizens' personal, democratic rights and other kinds of rights, and all other acts that endanger society, that are punishable by penal code, are crimes. However when the nature of the act is obviously negligible and does not constitute serious harm, the act will not be viewed as a crime." So crime is determined by the extent of the damage of a human act on society. Not all law-breaking acts constitute a crime.

In fact, there are many different forms in which the "application" takes place. In our country's legal system, apart from criminal law, there are civil law, administrative law, economic law and so on. Therefore, legal responsibility is divided into criminal responsibility, civil responsibility, administrative responsibility, economic responsibility and so on. But there will be investigation no matter what kind of law is broken. Even in criminal punishment, apart from major sentences and additional sentences, Article 32 of the "Criminal Law" also stipulates: "For cases negligible in nature and non-punishable, there can be no criminal sentences. But, subject to different case situations, there can be punishment in the form of reprimands, committing the wrongdoers to show regrets, apologies, compensation or subject them to administrative punishment by departments in charge of the wrongdoers." All these detailed by the article are in fact a way of punishment according to law.

Moreover, situations must be distinguished and sentences meted out according to responsibility. Precisely because there are different illegal activities, in which there are the differences between a crime and not a crime, in various specific crimes and in degrees of seriousness, in handling a case we must base ourselves on facts, clarify situations, and handle the case differently. Take the dealings in the aftermath of the turmoil as an instance, the nature of participation was very complicated, and so the forms of sentences must vary from case to case. General Secretary Jiang Zemin said at the September 1989 press conference of Chinese and foreign reporters: The direction of our handling is fairly explicit; we shall strictly distinguish and handle correctly contradictions of two different natures. The great majority of people, dissatisfied with the corrupt phenomena in society, joined the student movement. The policy we have adopted remains unity and education. But, undeniably, there were a number of people with ulterior motives and engaged in conspiracy whose purpose was to overthrow the CPC leadership and topple the existent

government. And so the state Judiciary Department had to deal with them according to the law.

Summing up what was said above, the key element deciding whether the law applies "sentences" does not lie

with the number of law-breakers, but whether citizens have observed and obeyed laws. If some people, banking on the great number of law-breakers go on a law-breaking spree, they will certainly be stopped and mercilessly punished by the socialist legal system.

East Region

Party Secretary Jiang Chunyun Activities Reported

Addresses Party Building Meeting

SK0706014590 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 23 May 90

[Text] It is necessary to fully understand the extreme importance and urgency of strengthening party building in institutions of higher learning and to concentrate efforts on grasping stability work in institutions of higher learning. This was an issue which particularly stressed by Jiang Chunyun, secretary of the provincial party committee, at the provincial work conference on party building in institutions of higher learning held in Jinan from 21 to 23 May.

Jiang Chunyun said: Institutions of higher learning are places where intellectuals are concentrated and an important front in the ideological sphere. Capitalism will surely occupy a position on the institutions of higher learning front if socialism fails to do so. The ideology of whether we grasp party building work in institutions of higher learning or not is not important and that this work has nothing to do with us, and the ideas of fearing hardships and having worries are manifestations of one-sided understanding, low awareness and a weak sense of party spirit, which are wrong and harmful.

Jiang Chunyun pointed out: To strengthen party building in institutions of higher learning, at present, we should particularly solve the issues well concerning one system, one body, and three contingents. The provincial party committee has decided that from now on all institutions of higher learning under the provincial government should implement the system of making the school principal assume responsibility under the party committee. The party committees should concentrate their main energy on studying the major issues of schools, strengthen party building and ideological and political work, and strengthen leadership over the trade union, Communist Youth League [CYL], students unions, and the congress of the teaching faculty. Recently, in line with the actual situations in institutions of higher learning, the provincial party committee readjusted and replenished the leading bodies of some institutions of higher learning by adopting the methods of selecting personnel from party and government organs, exchanging personnel among institutions, and promoting cadres from personnel inside institutions, and achieved good results in this regard. All institutions of higher learning should establish and improve the work organs of their party committees and the party's discipline inspection organs in order to meet the needs of the leadership system of making the school principal assume responsibility under the party committee. It is necessary to strengthen the functions of the general party branches of departments. The general party branch of departments of a college or university should participate in discussing policy decisions concerning such major administrative work as the

appointments and removals of administrative cadres, students enrollment and their job assignments, and the selection of teachers and students to go abroad. We should uphold the principle of selecting revolutionized cadres who are young, better educated and professionally competent, and realistically attach prime importance to revolutionization, and promptly select and promote those personnel who have both political integrity and ability to occupy leading posts and guarantee that the leadership will be firmly grasped by persons who are loyal to Marxism and Leninism.

Jiang Chunyun also pointed out: All institutions of higher learning should strengthen the building of the ranks of full-time workers in charge of political work and raise their political and professional levels. It is necessary to stabilize policies and the ranks of political personnel, and commend excellent political personnel who have made outstanding achievements. Proceeding the work with strengthening party building, we should build ranks of teachers, with communist party members as the mainstay. The provincial party committee has studied and decided that party-member professors and secretary and deputy secretaries of general party branches of departments should study in the party school of the provincial party committee for two weeks on a rotational basis in order to enhance their party spirit, strengthen their communist conviction and raise their political level and working ability. It is necessary to build a reliable rank of student activists and through them, conduct ideological and political work among other students.

Jiang Chunyun stressed: Showing no concern for the work of institutions of higher learning and failing to study and to firmly grasp the work means showing irresponsibility for the country's future and destiny. The provincial party committee has studied and decided to establish a work committee of the institutions of higher learning to lead and manage the party work and the ideological and political work of institutions of higher learning throughout the province in a unified manner. At present, we should concentrate our efforts on continuously grasping stability in institutions of higher learning, and in line with the study of Comrade Jiang Zemin's important speech, extensively carry out activities to commemorate the 150th anniversary of the Opium War in an effort to stimulate the zeal of the people to cherish the party, the motherland and socialism, and to consolidate and develop the political situation of stability and unity.

Ma Zhongchen, Miao Fenglin, Tan Fude, and Song Fatang, and other provincial leading comrades also attended the conference. Miao Fenglin, member of the Standing Committee of the provincial party committee and director of the Propaganda Department, relayed at the conference the guidelines of the national conference on party building work of institutions of higher learning. Vice Governor Song Fatang talked about his opinions and plans on strengthening ideological and political education, improving teaching level and results and reforming institutions of higher learning.

At the conference, awards were issued for 169 outstanding teaching achievements made by various institutions of higher learning over the past 10 years.

Attending the conference were secretaries of party committees and presidents of institutions of higher learning throughout the province, deputy secretaries in charge of cultural and educational work of various cities and prefectures, chairmen of various city and prefectural Education Commissions, directors of Organization and Propaganda Departments of some cities and prefectures, and responsible comrades of provincial-level departments concerned.

Attends Strategic Research Meeting

*SK070604490 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 30 May 90*

[Text] After readjustment, the provincial economic and social development strategic research committee held its first plenary meeting at Nanjiao Hotel in Jinan on the morning of 30 May. Zhao Zhihao, provincial governor and vice chairman of the provincial Economic and Social Development Strategic Research Committee, presided over the meeting. Jiang Chunyun, secretary of the provincial party committee and chairman of the provincial Economic and Social Development Strategic Research Committee, gave a speech.

Jiang Chunyun pointed out: Over the past five years, the last provincial Economic and Social Development Strategic Research Committee, under the management and leadership of Comrade Su Yiran, has done a lot of effective research work for the entire province's economic development, reform, and opening up and has played an important advisory role in helping the provincial party committee and government make policy decisions. However, we felt that we were still weak in consulting and research work because it is still far from meeting the needs of policymaking. At present, comrades on the forefront are often just handling routine work. The consulting and research organs often failed to promptly and accurately forecast the functioning of the macroeconomic economy. In particular, the information channels were being impeded, the sources of information were too few, and our ability to analyze the risk-taking situation was also very poor. This made us unable to fully understand a lot of important information and developments in other provinces and foreign countries and made us ignorant and ill-informed.

Comrade Jiang Chunyun stressed: We must strengthen study of the macroeconomy and social development. By no means should we adopt measures when problems are piled up and when we are in a passive situation. A top priority task is to organize the strength of all quarters, pool all scattered research findings together, and make them become the basis for the scientific policymaking of leaders after making comprehensive extracts.

While touching on the current situation in which the level of research work is still low and the research operation is overlapping, Comrade Jiang Chunyun said with deep feeling: There are too few valuable research findings but too many findings of a general nature. Many research reports have failed to pay attention to the

crucial points and to solve problems. In this connection, he said that the strategic research committee and all fields of investigation and research efforts should produce more research reports that raise questions and can help solve problems so that they can realistically become important advisory organs and think tanks of the provincial party committee and government in guiding economic and social development and in developing major principles and policies. The tasks of the strategic committee are to mainly analyze the entire province's economic and social development trend at a regular interval and to offer ideas, principles, and policies for economic and social development and suggestions for major policies within a certain period for the provincial party committee and government.

Jiang Chunyun pointed out: At present, the most pressing task is how to realistically guarantee political stability, to achieve sustained, steady, and coordinated economic development and to comprehensively attain the strategic objective of quadrupling the industrial and agricultural output value. This requires efforts to grasp two major points in research work during the improvement and rectification period. First, we should explore specific ways to combine the planned economy with market regulation. Second, we should study ways to further carry out the campaign of improvement, rectification, and deepening of reform. Particularly, we must have an appropriate speed in the current economic development. It is necessary to readjust the structure and raise efficiency.

In line with our province's specific situation, Jiang Chunyun also put forward the major targets and basic ideas for development during the Eighth Five-Year Plan period, which we should increase our efforts to study during this year and next, and ten tasks for enabling agriculture to move one stage further and industry to improve product quality, and for developing high-precision technology, further deepening reform and carrying out regional economic comprehensive balance and study and the building of the spiritual civilization.

At the meeting, Liu Peng, Lu Hong, Ma Shizhong, vice chairmen of the provincial Economic and Social Development Strategic Research Committee, and other leading comrades, also gave speeches on the province's objectives during the Eighth Five-Year Plan period, the socialist planned economy and market economy and the building of rural service system.

Present at Childrens Day Activity

*SK0706043190 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 1 Jun 90*

[Text] On the morning of 1 June, the Shandong Provincial Women and Children Activity Center which was located at the foot of Yingxiong Shan in Jinan, was decorated with colored flags and balloons. Nearly 1,000 children ceremoniously gathered together there to celebrate the first 1 Jun International Children's Day of the 1990's.

Leading comrades of the province and Jinan Military Region, including Jiang Chunyun, Ma Zhongchen, Li Zhen, Li Zichao, Cai Renshan, Liu Huanqi, Li Chunting, He Guoqiang, Ma Zhongcai, Liu Peng, Wang Chengwang, Li Yu, Zhu Yongshun, Lu Hong, Song Fatang and Ding Fangming, Li Farong, member of the Central Discipline Inspection Commission staying in Jinan, and Zhu Qimin, Ma Changgui and Han Bangju, special advisers of the provincial government, and provincial veteran comrades, including Zhao Lin, Qin Hezhen and Wang Jinshan, attended the celebration rally.

At 0900, the rally was declared open. Song Fatang, vice governor and vice chairman of the provincial Children Work Committee, gave a speech. On behalf of the provincial party committee and the provincial government, he first extended festive greetings to all children and youth throughout the province and sincere respect and regards to teachers of primary and middle schools and nurseries, students' parents, and persons from all circles who have engaged in and supported the children and youth work.

Song Fatang said: Since the Third Plenary Session of the 11th party Central Committee, our province has increasingly strengthened the children's work and paid greater attention to it. Party committees and governments at all levels and all trades and professions have created a good environment for children's healthy growth. He said: Children are a generation that spans to the next century. Nourishing them into people of a new type of the 21st century with ideals, ethics, culture and a sense of discipline will involve very complicated tasks. He expressed hopes that party committees and governments at all levels, all departments concerned, all social sectors and the broad masses of children workers would pay attention to science, seek actual results, stress children's ideological and moral education, and work in a down-to-earth manner in an effort to nourish new masters for the 21st century. At the end of his speech, Vice Governor Song Fatang hoped that children would take Lai Ning as an example, have deep love for the motherland, the people, their work and science, ardently cherish socialism, study well and make progress every day, and become outstanding builders and pillars of the socialist motherland.

(Zhang Chunxiao), student of Jinan (Shenli) boulevard primary school, gave a speech on behalf of the children. He expressed that no child would disappoint the hopes of the party and the people, and that they would strive to study hard and become qualified successors of the proletarian revolutionary cause, with a comprehensive development in moral, intellectual, physical, and aesthetic qualities.

After the celebration rally, accompanied by children, leading comrades watched all the rich and colorful activities held in various places at the activity center.

Shandong Peoples Congress Announces Appointments

SK0706060490 Jinan DAZHONG RIBAO in Chinese
29 Apr 90 p 1

[Announcement on personnel appointments and removals made by the Shandong Provincial People's Congress Standing Committee on 28 April 1990]

[Text] According to Governor Zhao Zhihao's proposal, the 15th Standing Committee Meeting of the Seventh Shandong Provincial People's Congress decided to appoint Guo Changcai [6753 7022 2088] as secretary general of the provincial people's government; Sun Guangyuan [1327 0342 6678], chairman of the provincial economic committee; Li Yucai [2621 5148 2088], director of the provincial forestry department; Li Zhaotai [2621 3564 3141], director of the provincial first light industrial department; and Niu Yaozong [3662 5069 1350], director of the provincial labor bureau; and to dismiss Yu Peigao from the post of secretary general of the provincial people's government; Guo Changcai, from the post of director of the provincial financial department; Liang Shuwei, from the post of the chairman of the provincial economic committee; Gao Chuanjie, from the post of director of the provincial forestry department; Ma Linshan, from the post of director of the provincial water conservancy department; Zhang Mozhong, from post of director of the provincial first light industrial department; and Liu Fusheng, from the post of director of the provincial labor bureau.

Shen Zulun Delivers Zhejiang Province Work Report

OW3005123090 Hangzhou ZHEJIANG RIBAO
in Chinese 16 Mar 90 pp 1-3

["Government Work Report" by Shen Zulun, governor of Zhejiang Province, at the Third Session of the Seventh Zhejiang Provincial People's Congress on 7 March 1990]

[Text] Fellow deputies:

Please examine the following report I am to present to this session on behalf of the provincial people's government on its work in 1989 and its tasks for 1990.

I. A Review of the Work in 1989

The year 1989 was an extraordinary year and a year that underwent the most trials and tests. We endured the trials of turmoil and the counterrevolutionary rioting in the capital and the tests of the many rigorous and complicated contradictions and difficulties emerging in the process of carrying out the economic improvement and rectification campaign. We also went through the tests of many severe natural disasters.

Early last year, we focused our efforts on improving the economic environment and rectifying economic order in accordance with the guidelines of the Third Plenary Session of the 13th CPC Central Committee and the Second Session of the Seventh National People's Congress. While working hard at stabilizing the economy and intensifying reform, we saw the outbreak of antiparty and antisocialism political

unrest and a counterrevolution rebellion in Beijing in late spring and early summer. In Hangzhou, Ningbo, and other cities, a small number of people, echoing the unrest and rebellion instigators in Beijing, also created serious political disturbances. Complying with the arrangements made by the CPC Central Committee and the State Council, we embarked on an extremely arduous task of opposing and stopping the turmoil and stabilizing Zhejiang and the overall situation. In the course of the struggle, the working class demonstrated a high degree of political consciousness. They duly played the role of a main force by holding fast to their production posts and protecting factories, stores, and roads to ensure the normal supply of daily necessities for the residents. With concrete actions, the masses of peasants made valuable contributions to the overall stability of the province as they worked on improving production, actively engaged in the sale of farm and sideline products, and maintained normal order in the rural area. The massive rank and file of the armed police forces and public security establishment worked day and night to uphold social order and unwaveringly cracked down on the handful of people who plotted and organized the turmoil and the criminals who seized the occasion to wreak havoc. They are worthy of the name of loyal guardians of the people. The People's Liberation Army [PLA] was a powerful backing in our effort to stabilize the overall situation, giving us enormous support. The PLA deserved to be called the people's soldiers, the strong pillar of the people's democratic dictatorship, and a great wall of steel of our socialist people's republic. Thanks to the sagacious and resolute decision made by the central authorities and the firm upholding and implementation of the central decision by the large numbers of cadres and the masses, who resort to various means to resist and defy the rebellion, we were able to achieve victory in ending the turmoil and securing overall stability. However, a survey of the situation from the leadership level showed that at one time we failed fully to understand the nature of this serious political struggle and did not act firmly and decisively on some issues. This mind-boggling struggle taught us a profound lesson. For years, we occupied ourselves with concrete matters, paying scant attention to political developments. This turmoil sobered up our mind. With this turmoil plus the recent drastic changes in the international situation, we were brought to realize more and more clearly that the CPC and Chinese Government's decision and measures used to quell the unrest and rebellion were more than correct and the victory achieved had great and profound significance. The Western anticommunism and antisocialism hostile forces will never give up using the strategy of "peaceful evolution" against socialist nations. The fierce struggle between evolution and anti-evolution, infiltration and anti-infiltration, and subversion and antisubversion will exist for a time to go. So will the sharp confrontation between the forces adhering to the four cardinal principles and those advocating bourgeois liberalization. All our work must be subject to this larger background and climate. It is imperative at all times to safeguard the national and social stability; keep to the socialist path and the leadership of the Communist Party; and firmly combine the work of instituting the four cardinal principles, defying bourgeois liberalization, and pursuing reform and opening to the outside

world. It is also necessary at any time to strengthen ideological-political work and the construction of socialist spiritual civilization, rely on and establish close ties with the masses, and adamantly fight against negative and corruption phenomenon. It has been more than half a year since last year's political disturbances. During this period, we followed the important guidance from Comrade Deng Xiaoping of "conscientiously summing up the experience, continuing to do the right things while correcting mistakes, and making extra efforts where they are warranted." So we summarized and drew lessons from our experience on hand and sought to improve our work on the other. We seriously worked on redressing our preoccupation with economic development, changed the guiding ideology for the economic work, and moved to better integrate the tasks of clinging to socialism and carrying out reforms and opening up. We acted effectively in strengthening ideological-political work, the construction of spiritual civilization, and the drive to build a clean government, and in improving our workstyle.

Because of floods, typhoons, and other natural onslaughts as well as the turmoil in late spring and early summer last year, our economic work become even more difficult. Thanks to the leadership of the CPC Central Committee, the State Council, and the provincial party committee, and the supervision of the provincial people's congress and support from all quarters, we achieved noticeable results in improving the economic environment and rectifying economic order while following the guidelines of the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee and closely relying upon the hard work of people and cadres of all nationalities in Zhejiang. Inflation was brought under control, the economy began to improve, and the people's livelihood remained basically stable. New headway was also achieved in various other fields.

1. We continued to implement the economic retrenchment principle and began to change the mentality of being overly eager for quick success in economic construction.

In accordance with the principle set by the CPC Central Committee and the State Council for economic retrenchment and reform, and in accordance with the decision of the Second Session of the Seventh Zhejiang Provincial People's Congress, governments at all levels last year proceeded to improve the economic environment and rectify economic order with great determination. While earnestly studying general and specific policies of the central authorities relevant to economic improvement and rectification, cadres at various levels gradually realized the serious economic problems. They also learned from experiences that they had been too eager for quick success and that they should not have given up repeatedly restructuring projects before they were accomplished. They began to realize that they would never be able to extricate themselves from the economic predicament unless they dedicated themselves wholeheartedly to economic improvement and rectification. Thus, they began to curtail the size of investment in fixed assets, control the excessive growth of consumption funds, tighten expenditures and credit, and make great efforts

to encourage savings. Consequently, the investment made by the province's state-owned units in fixed assets was 8.5 percent lower than that of the preceding year, and the investment made by the entire society in fixed assets was 6.9 percent lower than that of the preceding year. The actual drop was approximately 20 percent when factors contributing to price rises are taken into consideration. The pattern of investment in fixed assets also became more rational. The total amount of money invested in the 54 major projects relevant to the development of energy and communications services accounted for more than one half of the total amount of money that state-owned units invested in capital construction projects. The construction of 12 projects, including the Niutoushan Reservoir in Linhai County, the installation of the No. 5 generator, which is the third-stage construction project of the Zhenhai Power Plant, and the construction of the Shitang Hydroelectric Power Plant, were completed and commissioned to operation. The growth in workers' total payroll dropped to 11.1 percent from 27.6 percent a year before. The total amount of money that social institutions spent in purchasing consumer goods was 2.8 percent lower than that of a year ago. The actual drop was 17.5 percent when factors contributing to price rises are taken into consideration. The size of credit was brought within the limits of the state plan. With respect to money supply, banks in Zhejiang withdrew 1.9 billion yuan from circulation; since the net amount of cash they supplied in 1988 was 2.8 billion yuan, the actual amount of cash withdrawn from circulation was 4.7 billion yuan. Urban and rural bank savings increased 7.1 billion yuan, or 5.62 billion yuan more than that of a year ago.

The overly quick development of industrial production was reigned in. The growth rate slowed down in the first half of this year; production began to show a decrease in August. The gross industrial output value of the whole year increased 7 percent from a year ago to reach 133.3 billion yuan, which was less than the requirement of the plan. Some adjustments were made to the internal structure of industries, mainly to the product mix. The production of readily marketable consumer goods for daily use, some portions of products for supporting agriculture and for exports, and some energy and raw and semifinished materials showed a certain increase; while the production of goods whose supply exceeds the demand, such as household electrical appliances, showed a big decrease.

Certain successful results were achieved in our efforts to consolidate the order of circulation. We eliminated various obstacles and made progress in our work of cleaning up and consolidating companies with the support of and under the supervision of the standing committee of the provincial people's congress. A total of 2,799 companies had their operating licenses revoked or were merged throughout the province so far. They accounted for 23.4 percent of the total number of the original companies in existence. Among these companies, 70 percent operated in the field of circulation. The establishment of companies played an active role in enlivening circulation.

However, judging from the situation that was revealed by our efforts to clean up and consolidate companies, we could see that as a result of our underestimation of the problems that might possibly crop up in the course of development of companies, our failure to attach due importance to them, our lax control of the newly established companies in the examination and approval process, and inadequate supervision and administration, there were quite a number of problems, ranging from an excessive number of poorly-run companies, illegal business operations, and profiteering and swindling practices to graft and embezzlement. An extremely small number of companies used the wrong people and, as a result, considerably grave problems existed. They were quite shocking. In the course of our drive to clean up and consolidate companies, we organized all relevant departments to conscientiously investigate and deal with those companies that were involved in cases which broke the law and which violated discipline. A total of 1,367 such cases were ferreted out throughout the province. Among them, 597 were big and important cases. Of all the cases which broke laws and violated discipline that had been ferreted out, 80.8 percent were dealt with and completed and 19.2 percent are still under investigation and being handled. With the support of and under the supervision of the standing committee of the provincial people's congress, we focused our screening and investigation on the law-breaking and discipline-violating problems involving the Dadongnan Group of Companies Ltd., the Zhejiang Economic Industrial Company (a business operating point in Hangzhou), and the Zhejiang Yuehai Company. Some of the personnel found guilty of breaking the law and violating discipline were arrested according to the laws; some of them are under investigation and awaiting punishment by relevant departments of both the central and provincial authorities. We and the relevant departments are determined to conduct a thorough investigation of the law-breaking and discipline-violating cases of these companies and deal with them in accordance with the law and discipline. Moreover, we are determined to set an example by the investigation and handling mentioned above to further promote the work of cleaning up and consolidating companies and wage combat against corruption throughout the province. In addition, we implemented a monopoly system for important means of agricultural production and manufactured goods for daily use and improved our management of the purchase and sales of large quantity of farm and sideline products in our endeavor to consolidate the order of circulation. Though the serious chaos in this area has been changed somewhat, a lot of problems remain yet to be solved further. The management system and methods also need to be improved further.

While scaling down demand, increasing the effective supply, and consolidating the order of circulation, we made vigorous efforts to strengthen our control and supervision over commodity prices on the market. The growth rate of the retail prices of commodities dropped from 26.1 percent in the first quarter to 9 percent in the

fourth quarter; and the general level of retail prices of the whole year rose 17.8 percent, which was lower than the level of the growth rate of 22.1 percent of an year earlier.

However, we have not yet reached our goal of improving the economic environment and rectifying economic order. We have not yet eliminated the factors which affect the stable development of Zhejiang's economy. Although contradiction between total demand and total supply has eased off, we still face lack of coordination in the structure of industry, products, and enterprises; irrationality in the economic mechanism and the mechanism of economic operation; low technical and management standards in enterprises; and poorness in economic results. None of these deep-rooted problems have been solved. Because we have for years made some mistakes in our guiding ideology for industrial development, we have put undue emphasis on high speed and did not check the development of the processed industry. What is worse, we have ignored the improvement of the quality of enterprises. As a result, while we are adopting the policy of macroretrenchment, a considerable number of Zhejiang's industrial products are slumping on the market. We have reduced the speed of industrial development too rapidly, and our economic results have plummeted. Compared with fraternal provinces and cities, Zhejiang is facing a worse situation.

The practice of improving the economic environment and rectifying economic order and the current economic difficulties show us that we should stop seeking quick results and pay attention to coordinated development. We must not rely simply on the expansion of reproduction; we must make efforts to improve the quality of enterprises and pay great attention to economic results. We should greatly change the guiding ideology for economic development, and by improving the economic environment and rectifying economic order, shift our economy onto the track centering around the increase of economic results and take the road of sustained, stable, and coordinated development. Many comrades have eliminated their skeptical, hesitant, and wait-and-see mentality; raise their awareness of improving the economic environment and rectifying economic order; and take the initiative to adapt themselves to the changed environment. Many enterprises mobilized workers and staff to launch in-depth double increase and double economy campaigns, carry out warehouse inventory, upgrade technology, readjust the product mix, raise product quality, and improve management and operations. Quite a few regions and enterprises went all out to explore domestic and international markets, sponsored all kinds of commodity trade fairs and exhibitions, dispatched supply and marketing personnel to publicize products, assembled manufactured goods for rural areas, and strived to improve service attitude and quality. The relevant departments took the initiative to coordinate the relationships between industry and commerce and between banking and industrial and commerce departments, and they did everything possible to solve problems for enterprises. The facts show that as long as we

maintain a sound mental attitude and steadfastly carry out the principles of economic rectification and deepening reform, we will be able to overcome difficulties.

2. A bumper agricultural harvest in the year of serious natural disasters brought about a turn for the better in agriculture.

To reinforce and invigorate agriculture is an important matter of universal concern among the people all over the province. The Second Session of the Seventh Provincial People's Congress demanded governments at all levels to effectively strengthen leadership over agriculture, especially grain production, and seriously implement various agricultural policy measures by increasing the input in agriculture, improving the production and supply of capital goods for agriculture, and striving to increase grain and cotton output and win an all-around bumper harvest in agriculture, forestry, animal husbandry, sideline production, and fisheries. Over the past year, efforts were made in line with this demand. As a result, despite frequent natural disasters, Zhejiang's total grain output reached 15.56 million metric tons last year, maintaining the same level as the preceding year. The quota of grain purchased on contract was fulfilled, while the volume of grain purchased at negotiated prices was 250 million jin more than that of the previous year. The grain situation was relatively stable with a steady decrease in grain prices in the market. This is not an easy task in a year of serious natural disasters, and it has been achieved through arduous efforts by party and government leaders at all levels and the vast numbers of cadres and masses. The total output of cotton and hemp dropped as a result of changes in the pricing policy, which affected the areas of crops. The output of silk cocoons hit an all-time high record, while the output of fruit increased by a relatively wide margin. Hog and aquatic production was basically stable. The target of afforestation was fulfilled by 111.7 percent. The trend of developing agriculture continued. In spite of extreme difficulties, rural industries were able to maintain a certain growth rate and, to a certain extent, improve the product mix and technical and management standards.

Over the past year, local governments at all levels attached great importance to agriculture, and principal leaders of most localities personally attended to agricultural work. Governments at various levels stepped up efforts to educate the vast number of cadres on agriculture as the foundation of the economy, organized cadres to rural areas to conduct education on the party's basic line, and did tremendous work in stabilizing policy measures and popular feelings. Both state and peasants increased the input in agriculture. Funds from provincial finance spent on supporting rural production totaled 470 million yuan, an increase of 45.9 percent over the previous year. The supply of chemical fertilizers, farm insecticides, and plastic sheets for agricultural use improved, thanks to increased price subsidies for agricultural production means, assistance from governments at various levels to support agricultural industries, and

to diligent efforts by staff workers of agricultural production means manufacturing enterprises and managerial departments. The system of agricultural development fund was set up in 99 percent of the counties and cities, 57.7 percent of townships and towns, and 34 percent of villages, and had raised a total of 360 million yuan, which was an important source of the input in agriculture. The system of labor accumulation was generally restored. Last winter and this spring, we saw the largest scale of farmland irrigation construction in the past decade, doubling the amount of labor force put into and construction volume completed over the preceding year. The increasing application of technologies such as fine strain, high yield model cultivation of crops, and combined use of fertilizers played a conspicuous role in increasing production.

In the past year, governments at all levels made all-out efforts to fight various natural disasters and launch rescue operations. Leaders at all levels personally went to the disaster areas and organized large numbers of cadres to conduct rescue efforts. The broad masses of grassroots-level cadres and CPC members, together with the commanders and fighters of the People's Liberation Army and Armed Police Forces stationed in Zhejiang, offered their assistance at those crucial moments. All departments concerned did a large amount of work in fighting the disasters and in performing rescue operations. The State Council and relevant central departments gave tremendous moral and material support to Zhejiang. Areas not hit by the disasters scrambled to provide assistance to disaster-stricken areas, as did many enterprises, institutions, cadres, and people. In the spirit of self-reliance, hard work, and mutual assistance, disaster victims developed production energetically and independently, thereby resuming production fairly quickly and achieving substantial results in rebuilding their homeland. Through the fight against the disasters and the subsequent rescue operations, people in the disaster areas gained a better understanding of the merits of the socialist system and were deeply grateful to the party and the Government. Cadres at the grassroots level identified themselves more closely with the populace, leading to closer links between the party, Government, and the people. This is an extremely important achievement.

The frequent, successive natural calamities and the declining production of major agricultural products, such as grain, of the past few years point to problems in our rural work. We still have to pay more attention to agriculture and to coordinating agricultural development with the development of industry and other sectors of the economy. Illegal occupation of arable land has spun out of control, and agricultural input by the state, collectives, and peasants is inadequate. Irrigation works are in disrepair, our ability to fight disaster has weakened, and overall agricultural productivity has declined. The joint contract responsibility system, with rural households as operating units, is in line with the current level of productivity in rural areas. However, in practice, we lack an "overall" concept. Because of this, the collective economy has deteriorated in many localities. Since nobody takes the lead to muster

forces, individual households find it difficult to perform some tasks. Government at all levels in most areas has begun to take these problems seriously. In particular, efforts to develop agriculture collectively have become common practice since the Fifth Plenary Session of the 13th CPC Central Committee, resulting in an improved situation for agriculture. These developments, however, are only the beginning.

3. We upheld the principle of opening to the outside world and continued to develop our foreign economic relations and trade under difficult conditions.

Last year, we encountered many problems in our foreign economic relations and trade, including rising costs of manufacturing export commodities and limited funds for procurement. The turbulence and rebellion, coupled with the economic sanctions imposed by some Western countries, adversely affected our foreign economic ties and trade. Nevertheless, we made new gains in this respect, thanks to the active efforts of governments at all levels, all agencies concerned, and the vast numbers of cadres and workers in economic and trade departments. Foreign trade procurements increased by 30.6 percent over the preceding year, and the number of counties and higher-level localities with procurements exceeding 100 million yuan rose from seven to 19. The province earned \$1.879 million in foreign exchange from exports, which represented a net increase of 16 percent from the previous year. We increased the proportion of processed and finished products to other categories of export commodities, and expanded our foreign trading channels and markets. Zhejiang opened trade offices in the Federal Republic of Germany, Britain, Mexico, and Brazil last year, and 185 new enterprises belonging to the "three types of partially or wholly foreign-owned companies" were established. Of these, 94 percent were productive concerns. Direct exports by these enterprises totaled \$65.67 million, up 66 percent from the preceding year. Foreign capital introduced through various channels also increased compared to the previous year.

To further expand opening to the outside world and to improve the environment for attracting foreign capital and advanced technologies, we have stepped up the infrastructural construction in open cities and areas. Construction of Li She Airport in Ningbo and Wenzhou Airport has been stepped up; it is hoped that these two airports will be opened for service in the first half of this year. Construction is also in full swing for the second stage project of Ningbo's Beilun Port and for the construction of Zhoushan, Wenzhou, and Zhapu ports. The improvement project of the second grade Hangzhou-Ningbo Highway and the Jinhua-Wenzhou Highway and the building of the second bridge spanning Qiantang River have been stepped up. Communications conditions in Hangzhou, Ningbo, Wenzhou, and Jiaxing have been greatly improved. The first stage construction project of Ningbo's Xiaogang Economic and Technological Development Zone has been basically completed; a number of foreign-funded enterprises there have begun production, exporting goods and earning foreign

exchange. The construction of Wenzhou's Longwan Export Processing Zone has started. Last year, we also approved the establishment of 143 key industrial satellite townships in open areas. All this construction has created favorable conditions for further, future opening to the outside world.

Major problems in foreign economic and trade work still remaining include: losses in foreign trade increase; low quality of some export products; and poor management and overall planning at foreign trade enterprises. We should gradually solve other problems, such as poor management structure, workstyle, work efficiency, and services.

4. Scientific and technological undertaking continues developing; ideological and cultural work has been strengthened since quelling of the turmoil.

The second session of the seventh provincial people's congress stressed the need to persist in equal emphasis on the building of both material and spiritual civilizations; it called for the development of educational, scientific, and technological undertakings to revitalize our province's economy. The meeting also called for greatly strengthening ideological, political, and cultural work.

In 1989, the issue of education further elicited concern and attention from various levels of governments and from various social circles. Government at various levels increased investment in education in 1989, despite the constraint of a tight budget and the scaling down of investment in capital construction. People's education foundations, which are now widespread in provincial cities and prefectures, collected and pooled a total of 88 million yuan in 1989. The system of nine-year compulsory education is now being steadily implemented across the province. Some 17.22 million people in our province's 1,066 townships and villages now receive compulsory education. Thanks to the joint efforts of various levels of departments, ramshackle schoolrooms at primary and middle schools have been removed. Marked improvement has been made in upgrading school buildings and equipment in the province's primary and middle schools. After the political turmoil of last year, we started to stress ideological and political work in schools, particularly in institutes of higher learning. Vocational technical education continues to develop in localities, departments, and enterprises.

Many leaders and enterprises put into action the slogan of "relying on science and technology to revitalize the economy." Provincial, city, and county governments and many enterprises formulated policies and measures to enhance the roles of scientists and technicians and to rely on science and technology to develop the economy. In the course of improving the economic environment and rectifying economic order, enterprises which stressed technological progress developed more new products, turned out higher quality products, showed strong ability in assimilating foreign technologies, yielded better economic benefits, coped better than other enterprises in fierce market competition, and showed

dynamic vitality. Reform in the structure of science and technology made scientific research units more economics-orientated. Last year, the province won 345 provincial scientific and technological progress and "spark" prizes, nine state invention prizes, 10 state scientific and technological progress prizes, and eight state "spark" prizes. Most of these scientific and technological results have been applied in production and have achieved good economic effects.

Literature, arts, media, publication, radio, film, and television departments made great efforts to publicize the party's line, principles, and policies and the great achievements made in the last 10 years of reform and in the 40 years of the People's Republic. They also made great efforts to promote the building of the material and spiritual civilization and to enrich the people's spiritual life. The public health and medical departments actively explored ways of reform and, at the same time, did a good job of preventing and curing sickness, controlling contagious diseases, and monitoring public health problems. The vast numbers of public health and medical personnel worked diligently in preventing and controlling epidemic diseases in disaster areas last year. In family planning work, a "double-track" control system and a system requiring family planning personnel to take full responsibility for the attainment of certain objectives were implemented. In addition, different guidances were provided for people in different circumstances, and greater emphasis was placed on transforming backward units. As a result, they accomplished the various targets in population planning and lowered the province's natural population growth rate to 8.79 per thousand. These goals were attained despite the fact that the province's population was still at the child-bearing peak and the work involved was exceedingly difficult. Mass sports activities developed vigorously, and many athletes had good performance in major competitions at home and abroad.

Our greatest mistake in the past years was that we neglected education, relaxed ideological-political work and the building of socialist spiritual civilization, and failed to make an all-out effort to struggle against negative, corrupt, and ugly phenomena. During the political turmoil at the turn of spring and summer last year, many people from our institutions of higher learning were involved, some media units failed to correctly guide public opinion, and a few cadres in the provincial organs took part in demonstrations and other support activities. This was the result of our failure to uphold the four cardinal principles consistently and our relaxation of the struggle in the ideological-political field. Drawing a lesson from this, institutions of higher learning conducted education in upholding the four cardinal principles and opposing bourgeois liberalization and in the current situation. In addition, they strengthened teaching of basic Marxist-Leninist theories. Some schools also organized a portion of their faculty members and students to conduct social survey and engage in social activities. Beginning last winter, we conducted education in the party's basic line on a large scale in the

rural areas. More than 20,000 office cadres from the province, cities, prefectures, and counties, together with some 60,000 district and township cadres, went to the rural areas. Citing concrete examples and the peasants' own experience, these office cadres explained to the peasants the need to uphold the party's leadership and socialist orientation and to stabilize and improve the basic rural policies, the tasks of strengthening agricultural development, and the spirit of self-reliance and hard struggle. Primary and middle school teachers and students in many localities were also involved in the educational drive. This was taken after the Fourth Plenary Session of the 13th CPC Central Committee on a large scale to educate the peasants, which account for more than 80 percent of the province's population, in the four cardinal principles. Education inspired the peasants to love the party, the country, and socialism, set the people's minds at rest, and pushed forward winter production and the work in many areas, such as building water conservancy projects, collecting funds, perfecting dual-layer management structure, procuring grain, and carrying out family planning. In addition, it had a positive impact on strengthening rural grassroots organization and changing the cadres' workstyle. Because of the uneven development in various localities, we must not overestimate the achievement of the educational drive. We must continue the drive without relaxation. Since the beginning of this year, in combination with the tasks of improving the economic environment and rectifying economic order, various localities and relevant provincial organs conducted education in the current situation and tasks among industrial and commercial enterprises, focusing on implementing the guidelines of the Fifth Plenary Session of the 13th CPC Central Committee. This has produced initial results. Education in the party's basic line conducted in rural areas and education in the current situation and tasks conducted among enterprises put into practice the policy of stressing both ideological-political work and economic construction at the same time, replacing past practice of stressing economic construction and neglecting ideological-political work. After suffering from the evil consequences of neglecting political education, we began to appreciate the benefits of stressing both ideological-political work and economic construction at the same time. Acting in accordance with the unified arrangement made by the central authorities, we launched struggle to wipe out pornography in urban and rural areas. The emphasis of this struggle was to rectify order in the publication and audio-video market and punish, in accordance with the law, criminal elements manufacturing and peddling pornographic materials. Because the leadership at all levels attached great importance to this struggle, and because all relevant departments coordinated closely in fighting the battle, a powerful momentum was obtained. With the extensive support of the masses, the spread of pornography in some areas was stopped. Within government organs, we made serious efforts to wage struggle against corruption and to build clean government. Now, there are fewer cases of using public funds to entertain guests and send them gifts.

Efforts are being made to deal with cadres at and above sectional and bureau level who built houses in violation of the law and discipline. Several counties and cities where the problem was serious had made public the outcome of their investigation and disciplinary action. More than 2,900 cadres who purchased high-grade durable consumer goods at lower prices paid back the price difference. With the exception of those who acted as representatives of the state assets, and a very few people who, because of their special circumstances, concurrently held posts without pay, party and government cadres who had concurrent jobs in corporations have resigned from their jobs. The spouses, children, and the sons- and daughters-in-law of the cadres at and above vice governor level who worked full time or part time at companies in the circulation field have resigned from their jobs at the companies in accordance with the regulations. The supervisory, auditing, and industrial and commercial administrative departments also investigated a number of cases of violation of law and discipline involving state functionaries and took proper action accordingly.

Generally speaking, a major turnaround began to take place in ideological-political work and in building spiritual civilization. However, there remains a lot of work in upholding the four cardinal principles, strengthening the building of spiritual civilization, raising people's ideological, cultural, and moral standards, and eliminating the negative, corrupt phenomena among some organs and a number of cadres. We must firmly carry out these tasks in order to create a powerful motive force and provide a political guarantee for building material civilization.

5. Socialist democracy and the legal system have been strengthened in the course of improving the economic environment and rectifying economic order and of promoting stability in society.

In the past year, we have made great efforts to strengthen socialist democracy and the legal system. Under the supervision of the provincial people's congress and its Standing Committee, we have seriously implemented the resolutions adopted at the Second Session of the Seventh Zhejiang Provincial People's Congress. We have made reports to the Standing Committee of the provincial people's congress on progress and results in promoting agricultural production, fighting natural disasters, and providing assistance to victims, checking on and reorganizing companies, stopping turmoil, developing science and technology, carrying out financial tasks and foreign and overseas Chinese affairs work, and implementing the 1989 plan for economic and social development and making arrangements for carrying out the 1990 plan. We have accepted examination and supervision from the Standing Committee of the provincial people's congress. This Standing Committee has also appropriately criticized and offered constructive suggestions on many important issues and rendered effective support to us in the course of implementing various tasks. The provincial people's government has also made progress in adhering to, and improving, the political

consultative system and multiparty cooperation under the leadership of the CPC. Through the Standing Committee of the provincial CPPCC committee, we have kept the provincial CPPCC committee informed of the important situation of government work and have seriously listened to opinions and suggestions from various circles. Before making important policy decisions on government work, we invited leading members of the provincial CPPCC committee to take part in discussions and solicit their opinions. Responsible members of various concerned provincial departments have held consultative conferences with members of the provincial CPPCC committee who are professionally related to those departments. In improving the economic environment and rectifying economic order, we have invited members of the provincial CPPCC committee to take part in major inspection activities. A number of government departments have requested members of the provincial CPPCC committee to work as their counselors, special inspectors, or supervisors. The provincial CPPCC committee has vigorously supported and assisted the Government in stabilizing the general situation, promoting improvement of the economic environment, rectification of economic order, and deepening reform. It has offered many important opinions and suggestions in the process of political consultation and democratic supervision. However, regarding the provincial people's government, we have not done enough work in taking the initiative to maintain close contacts with the provincial CPPCC committee, various democratic parties, and mass organizations in order to give full play to their role in taking part in, and examining, government affairs and in exercising democratic supervision. We must make further improvements in this respect. The provincial people's government and various departments have quite seriously handled suggestions and proposals made by people's deputies and members of the CPPCC committees; nevertheless, we have not done all things in a satisfactory manner. Concerning the work of strengthening the grassroots level, many localities have restored or improved villager groups [CUN MIN XIAO ZU 2625 3046 1420 4809] while strengthening the building of villagers' committees.

We have publicized and conducted education on the Constitution and law, taken part in inspecting the implementation of laws, held training classes for the implementation of the "Law of Administrative Procedures," straightened out past rules and regulations and policy documents, and drafted, or taken part in drafting, a number of local laws and formulated a number of rules and regulations in light of improving the economic environment and rectifying economic order, and stabilizing social order. We have used educational, economic, and legal methods to mediate and handle a number of contradictions among the people which might influence social stability. At the same time, we have resolutely waged several special struggles against serious criminal activities in a prompt and severe manner, according to law. Following the promulgation of the circulars issued by the Supreme People's Court and the Supreme People's Procuratorate and by the Ministry of Supervision,

the departments concerned of the provincial people's government worked in coordination with the courts and procuratorates in the province to launch a powerful political offensive and urge all those who committed crimes of embezzlement and bribery to surrender themselves to relevant authorities. Last winter and this spring, we achieved initial success in "eliminating pornography" throughout the province and unfolded struggles against the "six vices," including prostitution, producing and peddling obscene items, kidnapping and selling women and children, using and trafficking narcotics, group gambling, and using superstition to deceive and harm people. However, the public security situation is still grim, and there are still many unstable factors in society and so we must make greater efforts in this regard.

The work of People's Armed Forces has been strengthened and we have achieved new progress in the building and reform of militia and reserve units. The PLA units stationed in this province, cadres of People's Armed Forces at various levels, and the broad masses of militiamen and reserve servicemen have played a positive role, not only in defending the coastal areas, combating natural disasters and rescuing victims, and stopping turmoil, but also in maintaining public security in society and building spiritual as well as material civilization. We have achieved significant results in implementing the conscription law and successfully completed the task of recruitment. We have systematically promoted education on national defense for all the people and further enhanced the people's concept of national defense. The activities of building civilized units jointly by soldiers and the people and by policemen and the people have achieved new results. We have extensively unfolded activities of supporting the Army and giving preferential treatment to military dependents and provided proper resettlement for retired servicemen and demobilized soldiers who should be transferred to civilian jobs. We have further promoted the close relationship between the Army and the Government and between the Army and the people.

Fellow deputies: The achievements of government work in 1989 were made under a very difficult and complicated situation. They were the result of unity in struggle by people of all nationalities in this province and also of concern, encouragement, coordination, support, assistance, and supervision by all circles. On behalf of the provincial people's government, here I wish to express my heartfelt gratitude to all of you!

II. The General Demand for the Work of the Government in 1990

The year 1990 will be a critical one in improving the economic environment, rectifying economic order, and deepening reform. Doing a good job in carrying out this year's tasks will have an important bearing on realizing the goal of improving the economic environment and rectifying economic order and will create a good start in deepening reform and promoting construction work in the entire 1990's. In accordance with the guidelines of

the fourth and fifth plenary sessions of the 13th CPC Central Committee, the general guiding ideology for the work of the provincial people's government is to adhere to the basic line of "one center and two basic points" [emphasizing the central task of economic development and the two basic points, namely, adherence to the four cardinal principles and implementation of reform and the open policy] and the struggle for achieving further stability and development in the political, economic, and social fields. In other words, first, we should consider insuring stability as the most important task and all our work should center around this goal. Second, we should firmly continue the policy of further improving the economic environment, rectifying economic order, and deepening reform in order to promote the national economy and gradually realize a sustained, stable, and coordinated development of the national economy. Third, we should maintain a close tie between the Government and the masses, perform our tasks in the spirit of seeking truth from facts, strengthen mass work, improve our workstyle, pay attention to keeping a clean government, and unswervingly fight against negative and corruptive tendencies.

Social stability and that of the whole country are the supreme interest of our country and its people. Without a stable environment, political stability, and unity, it is difficult to carry out economic rectification and deepen reform. Currently, with pressure from abroad and difficulties at home, there are quite a few destabilizing factors inside and outside the country. Hostile international forces are stepping up infiltration and subversion against China. Unreconciled to their defeat, the diehard advocates of bourgeois liberalization at home may seize any opportunity to make trouble. The incidence rate of various criminal and economic offenses is high, and we have not yet extricated our economy from the difficulties. Along with the deepening of economic rectification, new contradictions and difficulties will crop up. These destabilizing factors should not be treated lightly. Stability is the starting point and basic guiding ideology for work in all fields. We should steadfastly and persistently carry out the party's basic line, which is the essential requirement for maintaining overall stability. We should continue to deepen education in upholding the four cardinal principles and the struggle against bourgeois liberalization, unite everyone possible in furthering economic rectification and deepening reform, ensure a good job in the struggle against corruption and construction of a clean government, and coordinate the efforts of all quarters in improving public order.

Political stability is the premise, and economic stability is the foundation. Only when the destabilizing factors in economic life are eliminated is it possible to enable the national economy to embark on the path of a sustained, steady, coordinated development, and to lay a reliable foundation for social stability. Therefore, we should concentrate efforts on carrying out economic rectification and push the national economy forward. We should, first and foremost, adhere to the principle of macroeconomic retrenchment and, while controlling the total

volume of supply and demand, focus attention on readjusting the structure and raising economic efficiency. Otherwise, it will be difficult to realize the goal of economic rectification and we may even forfeit what we have already accomplished under the excellent situation. Fulfillment of the demand for stability in 1990 depends on whether we can fulfill the targets in the following main areas of the economic work: 1) A bumper agricultural harvest of grain and other major crops can be reaped; 2) industry can be developed at a suitable growth rate; 3) the supply of vegetables and basic daily needs can be guaranteed; 4) drastic price rises in the market can be avoided; 5) proper arrangements can be made for workers who have been laid off and are awaiting employment and impoverished households in urban areas; and 6) financial revenues and expenditures can be basically balanced. Only when these targets are fulfilled can we achieve economic stability.

With economic rectification entering the crucial stage, we should unswervingly carry out the principles of improving the economic environment, rectifying economic order, and deepening reform, while striving to improve the work and avoid seeking quick results and practicing formalism to fulfill the work in these areas. In short, we should identify economic rectification with the achievement of overall stability and integrate it with deepening of reform. Achievements in economic rectification over the past year have proved that the principles of improving the economic environment, rectifying economic order, and deepening reform are entirely correct, and that these principles have shed the light of hope. In spite of difficulties, there are favorable conditions for continuing these principles.

First and foremost, we have the correct leadership of the party Central Committee, with Comrade Jiang Zemin as the nucleus. Through studying and implementing the guidelines of the fourth and fifth plenary sessions of the 13th CPC Central Committee, the people have begun to show stronger support for the basic line of "one central task and two basic points" and the principles of economic rectification, and we have a firmer political and ideological foundation. The guiding ideology for our economic development is being rectified. A large number of enterprises have set good examples in relying on the masses to extricate from predicament and embark on a new path in the course of economic rectification. We have every reason to be confident.

To do a good job in the work of 1990 and achieve greater political, economic, and social stability depends ultimately on the masses of the people. Hence, we should build closer ties with the masses, harness their enthusiasm and creativity, further persist in the goal of serving the people wholeheartedly, earnestly improve our workstyle, and work hard and in a down-to-earth manner. As long as we meet these demands, we shall surely be able to fulfill the work of 1990 and move a step closer to the targets of economic rectification.

The main targets of Zhejiang's economic and social development in 1990 are: On the precondition that economic efficiency is improved, we shall increase the gross provincial product by 4.5 percent; total value of industrial output, by six percent; and total value of agricultural output, by three percent; the total output of grain shall reach 16 million metric tons; we shall increase the financial revenues by 6.7 percent; we shall earn U.S.\$1.85 billion, or strive to earn U.S.\$2 billion through exportation; natural population growth rate must be controlled at under 9.6 per 1,000; the average actual income of urban and rural residents will remain stable or increase somewhat; and advances will be made in socialist spiritual construction and the construction of democracy and the legal system.

III. Further Carry Out Economic Rectification and Deepen Reform To Effect a Stable Development of the Economy

In accordance with the "Decision of the CPC Central Committee on Further Carrying Out Economic Rectification and Deepening Reform" and in the light of reality in Zhejiang, the main tasks of economic rectification and deepening reform are to continue to implement the principle of "double retrenchment" and, while persisting in, and improving, the macroeconomic control, go all out to readjust the economic structure, launch in-depth double increase and double economy campaigns, raise economic efficiency, further rectify the circulation order, stabilize and improve various reform measures, and strive to maintain an appropriate growth in the economy.

1. Concentrate Efforts To Improve Agriculture and Win a Bumper Harvest of Grain and Other Major Crops.

To ensure a steady increase in agricultural, especially grain, production is the foundation for stabilizing the economy and smoothly carrying out economic rectification. We should end the stagnation in grain production as soon as possible and strive to be self-sufficient and strike a balance between grain procurement and marketing within a relatively short period. While trying our best to increase grain production, we should also exert efforts to increase cotton and hemp production to the previous level and to maintain an appropriate growth in animal husbandry, aquatic products, forestry, and diversified management. On the basis of developing production, we should enable peasants to increase their income.

All trades and professions throughout the province must attach importance to agriculture and support agricultural development. The provincial government and other local governments at all levels must strengthen their leadership over agriculture. The principal leaders must personally attend to agricultural production and pay attention to solving major problems in agriculture. Moreover, they should also establish a command system for agriculture and try to improve on it. Prefectures and counties should

devote more energy to developing agriculture. Government departments at all levels must understand that agriculture is the foundation, sincerely support it, and seriously reduce the peasant's burden. To strive for a bumper harvest, government departments must make mental, organizational, and material preparations for combating natural disasters, such as typhoons, drought, waterlogging, insect pests, and plant diseases.

To ensure the steady growth of agriculture, we must first maintain the stability and continuity of the various basic policies for rural areas. The following should be repeatedly publicized among the peasants: The various forms of the contracted responsibility system, based mainly on the household, with remuneration linked to output, will remain unchanged; the policy of allowing and encouraging some areas and individuals to become prosperous first, with common prosperity as the final goal, will remain unchanged; the policy of "not slackening grain production, vigorously developing a diversified economy," and continuing to steadily adjust and improve the structure of agricultural production in the countryside will remain unchanged; the policy of encouraging and guiding the sound development of village and township enterprises will remain unchanged; the policy of developing various economic sectors under the prerequisite of upholding public ownership as the dominant ownership system will remain unchanged; the policy of adopting a planned economy as well as market regulation in the purchase and marketing of major agricultural and sideline products will remain unchanged. Practice has proved that these six policies have contributed to developing the productive forces in rural areas, but some of them still need to be improved. This year, we should give priority to improving the contracted responsibility system, based on the household. In conjunction with the party's basic line, we should extensively publicize the contracting policy; help the peasants to enhance their concept of public land ownership; improve contract agreements; collect, manage, and use contract money efficiently; continue to develop the collective economy in the countryside; strive to improve the various forms of socialized services; vigorously promote several kinds of unified operations, with technological service as the main trade, under the prerequisite of not changing the contracted managerial system based on the household. By carrying out these tasks, we can gradually improve the double-layered management system of the cooperative economy in the countryside, which integrates unified operations with household operations. In places where conditions permit, vigorous and steady steps should be taken to promote fairly large-scale land management based on peasants' voluntariness.

To invigorate agriculture, we have to rely on science and technology; agricultural efficiency can be achieved through science and technology. This important guiding principle must be thoroughly understood by leaders, cadres, and peasants. The State Council has issued a seven-article decision aimed at "invigorating agriculture through science and technology." The provincial government is organizing relevant departments to earnestly

implement this decision. We must mobilize and organize agricultural research institutions, agricultural colleges and schools, and agricultural work departments to form a joint contingent of scientists and technicians to vigorously publicize the application of agricultural research achievements aimed at mainly increasing the output of grain, cotton, and oil-bearing crops. We should provide support of funds and material, according to the order of importance, needed by the endeavor to invigorate agriculture through science and technology. This year, the provincial government has decided to launch a province-wide agricultural science and technology popularization year activity aimed at mainly building fine-quality farms giving yields of 1 metric ton per mu. The aim is to raise the per unit area yield by improving the conditions for agricultural production and by comprehensively popularizing application of various kinds of agrotechniques.

We must try to increase input into agriculture. The agricultural development funds of the province, cities, and counties must be adequately provided for, and properly used as stipulated. Additional funds from the provincial coffers should be used to support the reclamation of marshes and coastal land, to develop red and yellow earth hills, to support the upgrading of technologies in agroindustry, and to increase the supply of farming materials. The amount and price of chemical fertilizers, pesticides, plastic sheets, and diesel, supplied by the state under the contracts for grain procurement and cultivation, must remain unchanged and basically stable. Meanwhile, we must further improve the monopoly for chemical fertilizers, pesticides, and plastic sheets. Inputs into agriculture should come mainly from the peasants. We must urge the peasants to rely on themselves, and to persist in a drawn-out struggle to improve the conditions for agricultural production. In this respect, we must conduct an in-depth education and mobilization drive, gradually establish examples, and rely on hardworking leadership with party cadres taking the lead. We must combine and adopt all the necessary policies and measures to guide peasants to invest funds and labor in agricultural production and infrastructure. Irrigation is the lifeline of agriculture. In recent years, the tradition of depending on the masses for labor and funds to build and repair irrigation works is gradually being revived in the rural areas of Zhejiang, and a fairly good trend has emerged. In this regard, we must strengthen leadership, draw up good plans, pay attention to actual results, and develop it into a system. We must do a better job in developing agriculture comprehensively. The State Council has proposed that we treat the comprehensive development of agriculture as a strategic step for revitalizing China's agriculture and for attaining the targets of agricultural development by the end of this century. While continuing to develop barren hills, uncultivated waters and shores, and other resources, we must step up efforts to upgrade low- and medium-yielding farmland. To develop agriculture, we must not only focus on fruit and tea cultivation, but also expand production of grain, oil-bearing crops, cotton, silk cocoons, livestock, and aquatic products. In developing

new agricultural products, we must consider a smooth link between production and marketing, and avoid wild fluctuation which dampens the enthusiasm of the peasants. The provincial government has two development projects for the immediate future. One is to upgrade the farmland in the Hangzhou-Jiaxing-Huzhou region, and the other to develop the red and yellow earth hills of the Jinhua-Quzhou Basin, based chiefly on a project to introduce water from the Wuxi Jiang. There is huge potential for developing the off-shore islands, as well as the maritime and fresh waters of Zhejiang. But, many difficulties and problems lie ahead. The provincial government has conducted surveys in this area, and is preparing to hold a provincial work conference on aquatic products to study the matter. While doing a good job in developing agriculture comprehensively, we must also strengthen land management, strictly enforce the rules and regulations for land administration, resolutely stamp out indiscriminate occupation and use of farmland, and try to establish farmland protection zones as soon as possible.

Zhejiang is a province of many mountains. Developing forestry is not only necessary for the economic development of mountain areas, but also an important way to improve the environment, and create benefits for society and future generations. Therefore, governments at all levels must make serious efforts to implement the "forestry law," promote the greening of barren hills, and speed up the development of forestry. Production from forestry should be based on an enlargement of forest acreage and forestry resources, acceleration in the greening work of barren hills, improvement in the quality of standing forest, and an all-round development of forestry resources. Last year, the provincial party committee and government drew up a plan to eliminate barren hills in five years, and to green Zhejiang in 10, using two years of preparatory work. They also set up a responsibility system for leading cadres to protect and develop forestry resources during their tenure. Governments at all levels must make serious efforts to implement them.

In recent years, living conditions in old revolutionary bases, areas inhabited by ethnic minorities, and outlying and impoverished regions have improved. However, the income of peasants in some areas is still quite low. Some have yet to solve the problems of food and clothing. This is the final year of the goal proposed by the central authorities to solve the basic problems of food and clothing in impoverished areas. We must continue to support the impoverished areas with money, materials, skilled personnel, and technology in order to help develop their economies, and enhance their capability of self-reliance. To eliminate poverty, we must link closely efforts to help the poor with family planning work.

2. Energetically Adjust the Structure, Raise Economic Returns, and Strive to Maintain a Moderate Growth in Industrial Production

The fundamental requirement of industrial production this year is to strive for a moderate growth in industrial production while improving economic returns. At

present, sluggish market and fund shortage are two prominent problems affecting the expansion of industrial production. The sluggish market resulted from many factors. These include the over supply of luxurious goods introduced during the years of economic overheating and blind expansion, and production of inferior products that are overpriced and unsalable by enterprises which have failed to improve and develop new products. In general, this is the natural outcome of economic retrenchment and the policy of curbing consumption. But, there has also been a lack of overall guidance and regulatory measures, and the problem of poor circulation. We must not be unrealistic to abandon the retrenchment policy and allow a new round of excessive demand to emerge in the market. We must pay close attention to the problems in our work, and take every possible step to solve them promptly. The State Council is taking the necessary measures. Governments at all levels must also take corresponding measures to revive production and expand it steadily. At the same time, they must seize every opportunity brought about by changes in the macroeconomic conditions, and have the determination to correct the industrial structure, improve management, raise technological standards, increase production, practice economy, and change to industrial production, based on economic returns instead of quick expansion. This is the basic solution to the difficulties of our industries.

Restructuring and raising returns are an important stage of economic readjustment. The first thing to do is to forcefully adjust the mix of products. Adjustment of product mix should be based on the trend of markets at home and abroad, and on social needs. It should be conducted at four levels, namely, "protected, priority, restricted, and banned." In specific terms, it means protecting the production of energy, farming materials, basic needs, and raw and semiprocessed materials in short supply; giving priority to the development of intensively processed, high-valued, export, energy-efficient, high-technology, and marketable products; restricting products that consumed much energy and materials, relied on imported materials, encouraged high consumption, caused pollution, and that are inferior and duplicated; and banning products ordered to be eliminated by the state. We must continue to support the protected and priority products with money, energy, and materials. These products should be protected because they are very much related to the efforts to maintain a moderate growth in industrial production, and to the stability of the people's livelihood and the economy. While adjusting product mix, we must also improve the internal structure of an industry itself. Based on the state industrial policy and in line with the realities of Zhejiang, the main areas of adjustment are: First, stepping up development of infrastructure, such as power, transportation, communications, and agroindustry; second, moderately developing the petrochemical, steel, nonferrous metal, nonmetallic mining, and other raw materials industries; third, raising the level and technical standard

of machinery, light, textile, foodstuffs, and other traditional industries by upgrading their technologies; and fourth, developing, actively and selectively, electronics and other new industries. Improving the internal structure of industries has a bearing on the quality and staying power of Zhejiang's industries. Currently, the provincial Planning and Economic Commission is soliciting views for its plan for industrial restructuring. The provincial government is inviting relevant departments and specialists for discussion to amend the plan, and will be submitting it to the Standing Committee of the provincial people's congress for examination after revision.

In the final analysis, to raise economic results, we must rely on making progress in science and technology. Each enterprise should draw up a plan and set a goal for developing science and technology and spur on a new development of science and technology for Zhejiang's industry as soon as possible, so that more industrial products in Zhejiang can reach the advanced national and even advanced world level. To promote the development of science and technology in an enterprise, we must first bring the backbone role of scientists and technicians inside the enterprise into full play. At the same time we should extensively mobilize the masses to launch technical innovation activities. In addition, we should encourage scientists and technicians in scientific research departments and colleges to cooperate with enterprises and help enterprises import and master new technology, develop new products, and raise the quality and grade of products. Enterprises should draw and use technical development funds well in accordance with regulations. Planning, finance, bank, and other departments must allocate a certain amount of funds for technical transformation.

Many of our enterprises are backward in technology and even more backward in management or control. They are most likely to produce greater economic results when they improve management. Quite a few cities and counties intend to make this the "year of management" to encourage enterprises to grasp production quota control, quality control, cost control, fund control, and all other basic work and improve all regulations and systems. Departments in charge of the economy seriously should sum up experience in this aspect and do larger-scale dissemination. Recently, serious accidents have been happening often in the course of production. It is necessary conscientiously to implement laws and regulations governing safety in production and labor protection, and instruct staffers and workers to strictly follow operating rules and labor discipline to guarantee safety in production. As for accidents because of negligence, it is necessary to find out who is to blame.

All enterprises wholeheartedly should rely on the working class, fully mobilize staffers and workers, practice the "three-in-one combination" of cadres, technicians, and workers, and deepen the "double increase and double economy" movement. All trades should learn from the spirit of Daqing, industrial workers in particular. Today, education on the situation and tasks of

enterprises is being conducted extensively across the province. It is imperative to conduct this education well by strengthening leadership. The basic demand upon education on the situation and tasks is to allow enterprise cadres and workers to identify their ideas with the guidelines of the Fifth Plenary Session of the 13th CPC Central Committee, raise their awareness of improving the economic environment and rectifying economic order, rely on and mobilize the vast number of staffers and workers, and develop a self-reliant and arduous pioneering spirit and a spirit of dedication with the whole country in mind to surmount the difficulties facing us and make more contributions to the country. In conducting education on the situation and tasks, we must promote the formation and development of new interrelations between inner enterprise leadership and the masses and between managers and producers. Cadres should foster further the ideology of wholeheartedly relying upon the working class, enlighten and deepen the sense by staffers and workers of the master's responsibility and socialist awareness, organize the vast number of staffers and workers to hold mass discussions on the topic "What shall we do now that the country is facing difficulties?" and unfold activities to embody the ideas of "I will make greater efforts for the plant" and "I will offer plans for the plant." It is necessary to clearly understand the goal and measures of "double increase and double economy" and reach the goal and implement measures. It is necessary to incorporate readjusting the product structure, relying on progress in technology, strengthening scientific management, improving product quality, reducing energy and material consumption, taking inventory, settling accounts, and developing marketing into the demand of "double increase and double economy."

It is necessary fully to affirm the position and role of village and town enterprises, which have become half of Zhejiang's industry and the keystone of rural economy. If village and town enterprises fail, not only shall we lose strong support for the stable development of agriculture and particularly grain production, but the failure also will affect our state revenues and the stability of the entire economy and social order. Questions do exist in the development of village and town enterprises. Governments and departments concerned at all levels must take a positive attitude to help village and town enterprises develop in a stable manner, just as Premier Li Peng said, by supporting and guiding them. It is necessary to guide village and town enterprises by implementing the state's industrial policy, readjusting product structure, improving product quality, and reducing material consumption to meet the market demand in accordance with the principle of "readjustment, consolidation, transformation, and improvement." As for those village and town enterprises with a good supply of raw and processed materials, quite marketable products, and good economic results, and whose production is well coordinated with large industry in cities and is export-oriented, it is necessary to offer them the same support in funds, energy resources, and technology. As for enterprises whose production is depressed,

it is necessary to help them surmount difficulties by adopting the practices of merging, annexing, producing other products, or other methods, instead of closing them down or stopping production.

In the course of improving the economic environment and rectifying economic order, employment opportunities in society have decreased. In addition, some enterprises have been operating under capacity. The number of people waiting for jobs has increased and this has become a conspicuous employment problem in cities and towns. Leading cadres at various levels must attach importance to this problem, seriously make arrangements to provide jobs for surplus personnel of various enterprises in cities and towns. It is necessary actively to expand employment opportunities, reduce the number of unemployed people to a minimum, and strengthen overall control of labor forces in urban and rural areas. We strictly must control the excessive increase of "workers changing from farm labor to nonfarm labor" and strengthen control of those retired personnel who have found jobs again. **3. It is necessary to limit the growth of the money supply and decrease credit.**

The state has made an initial decision that the total amount of fixed assets investments in this province will be 14.3 billion yuan, at about the same level as last year. To effectively control the scale of fixed assets investments, the state will check both this year's new construction projects and the total scale of existing construction. All departments and localities are not allowed to build new office buildings, auditoriums, or guest houses. New processing industry projects should be stopped this year with the exception of those for export purposes or to replace imports. Regarding those processing projects which have been approved but in which construction has not started, we should reexamine them and postpone or cancel their construction work. To solve the problem of approval by different units and avoid duplication in construction, we appropriately should limit the power of examination and approval for investment projects.

We should continue to control the excessive expansion of consumption funds and gradually reduce the contradiction of unequal distribution in society. After signing contracts by various enterprises for managerial responsibility, we should strengthen the control and supervision of their own funds. It is very important further to improve the method of linking wages to working efficiency. The increase of total wages and bonuses must not exceed the increase of productivity and of taxes and profits delivered to the state. The total amount of wages should be linked not only to taxes and profits but also to labor productivity and the fulfillment of mandatory plans. All contract responsibility systems should include not only profits but also responsibility for losses. The payment of wages and profits according to the contract should be examined and audited. Enterprises, which link wages to production targets, should also take the overall situation into consideration and pay attention to using surpluses to make up for past losses when they pay wages and bonuses to staff members and workers. Town and

village enterprises also should tightly control wages and bonuses and must strive to reserve some funds for production purposes. It is necessary to rectify and improve the methods of issuing wages, bonuses, and subsidies to staff members and workers by companies of various categories. We actively should promote the personal income tax report system and strengthen the collection of taxes from individual industrial and commercial operators and private enterprises.

This year it will be very hard for our province to achieve a balance between revenue and expenditures because we are required to contribute more to the central financial department, our revenue will be less, and our expenditure is expected to rise. Methods to cope with this situation are to develop the economy, open new sources of revenue, and cut expenditure. All taxes to be collected should be collected. All irrational tax reductions and exemptions should be corrected. All acts of tax evasion should be investigated and dealt with according to law. It is necessary to strengthen the control of extrabudgetary funds and seriously liquidate all kinds of "unauthorized small banking facilities." While actively increasing revenue, we should resolve to reduce the various expenditures that have climbed during the period of the overheated economy and truly to practice austerity for a few years. In dealing with financial affairs, we should persist in the principle of keeping expenditures within the limit of revenue to achieve a revenue-expenditure balance. All spending must be reduced, except that necessary for wage payment and price subsidies and for an appropriate increase in investment in agriculture, education, science, and technology. It is imperative strictly to control the increase in the total number of staff members and workers, in particular the number of personnel in administrative organs and institutions. Continued efforts should be made strictly to control institutional purchases to ensure that the preset ceiling for such purchases is not exceeded.

We continually should adhere to a tight policy in issuing currency and extending credit loans and implement the principle of "controlling the total amount, readjusting proportions of different loans, ensuring the needs of key projects, cutting general requirements, regulating loans in a timely manner, and improving their benefits" to maintain the stability of the currency. Banking departments should continue to attach great importance to their fund-raising work. They should publicize the fact that there will be no change in the policy of value-guaranteed savings as a way to stabilize and increase savings deposits. This year our target is to increase savings deposits by 3 billion yuan, and we should try to bring the amount up by 4 billion yuan if at all possible. As for credit loans, while fulfilling major needs, we should devote our efforts to readjusting the proportions of different loans, improving their benefits, and regulating them in a more flexible and successful way, all this to be done within the framework of the established policies. In accordance with production and credit policies, we should continue to pursue a special policy in using funds. For example, we should put under special management funds to procure grain, cotton, cooking oil,

silkworm cocoons, and hogs and ensure that such funds are provided on a priority basis. In addition, we should strengthen support for large and medium backbone enterprises and give priority to meeting the needs for funds to purchase budgeted materials by those enterprises classified as "double guarantee" enterprises [the state guaranteeing the supply of raw and semifinished materials and funds for those enterprises and the enterprises guaranteeing the delivery to the state profits, taxes, and products for unified distribution] by the state and by our province. Also to be guaranteed are funds required by foreign trade units for buying products for export, funds needed by state commercial and materials departments as well as supply and marketing cooperatives for buying important commodities, and circulating funds for the "three kinds of foreign funded enterprises" [Sino-foreign joint ventures, Sino-foreign cooperative enterprises, and wholly foreign-owned enterprises]. Great efforts should be made to increase funds to extend credit loans and to prompt and help enterprises to clear up stocks and pay off their debts to speed up the circulation of funds. The scale of credit and interbank borrowing among specialized banks should be adjusted and regulated in a timely and flexible manner. The People's Bank should strengthen leadership and management and give full play to its role of macroregulation and control. Further efforts should be made to rectify banking work and strengthen the management of funds raised by society and funds within various enterprises with a view to gradually eliminating the "improper handling of funds." It is imperative strictly to control interest rates. Loans for grain, cotton, and cooking oil production, small water-conservation projects, agricultural development, and the procurement of the means of agricultural production should all have standard interest rates, which would not be allowed to float up. Discipline in settling accounts should be strictly enforced. Our banks are prepared to resume the practice of helping customers to settle their accounts by serving as their collecting and paying agents. They should also help enterprises to speed up the repayment of loans and liquidate "debt chains." Moreover, they should strengthen the management of foreign exchange and foreign debts and do well in using foreign-currency funds. In addition, positive efforts should be made to develop the insurance business to give full play to its role in raising funds and in remedying economic losses suffered by the insured. **4. It is necessary to rectify the order of commodity circulation, improve market management, and keep commodity prices basically stable.**

In rectifying the order of commodity circulation, the stress of the work should be put on screening companies and investigating and penalizing the crime of disturbing market order. We should continue to do a good job in screening companies, and never in a perfunctory manner. A high priority should be given to screening companies which handle commodity circulation. Having made relevant arrangements, provincial authorities are closing down and merging some wholesale companies

and material supply companies. The provincial government has submitted a plan for approval to the State Council to close down and merge some foreign trade and financial companies. We resolutely should close down or merge all the companies that must be closed down or merged in accordance with current regulations. Companies that we have decided to keep should reregister themselves. The scope of their operations should be redefined, and they should keep to a correct operational orientation and institute and improve their internal management system. Any law and discipline violations discovered during the screening must be handled seriously and impartially according to law and discipline, regardless of the identity of the violators. To keep the wholesale of important consumer goods and important means of production in the hands of authorized suppliers, the provincial government has decided that the wholesale of 21 commodities and the state plan portion of 33 other commodities be handled exclusively by designated state commerce, supply, and marketing cooperatives, and that 41 major industrial products and means of production be supplied mainly by state-run material supply enterprises. No other organizations and individuals are permitted to handle the supply of the aforementioned major means of production or the wholesale of the aforementioned important consumer goods. We resolutely should punish according to law those engaging in speculation and profiteering, and resolutely ban the production and sale of fake commodities and other market frauds.

While rectifying commodity circulation order and improving market management, we should pay great attention to unclogging circulation channels, actively opening up the market, further improving procedures for buying and selling agricultural products, and procuring and marketing well such major farm products as grain, edible oil, bast-fiber crops, silk cocoons, tea, and pigs. The barley purchase policy will remain unchanged this year. We must carry it out resolutely and must not break our promise to the peasants. Commercial and foreign trade departments that sign contracts with peasants to purchase farm products must fulfill these contracts with respect to the promised quantity of the purchase and to prices. Products that peasants are permitted to market by themselves should not be blocked from being shipped out. Commercial departments and other departments concerned should foster the concept of promoting production and serving the people, improve their service attitude, guide the peasants to make rational production and marketing arrangements, and strive to prevent difficulties in buying and selling. They should improve the coordination between production and marketing industrial products, serve as the wholesaler's "reservoir," and actively buy marketable and famous-brand products. They should adopt such effective marketing practices as fairs, joint operation and marketing, warehouse sales, consignment sales, and delivering goods to rural areas. They should strive to open up both urban and rural markets, particularly the latter. While giving play to the

role of state-run commerce, supply, and marketing cooperatives as the main channel of commodity circulation, we should also continue to bring into play the positive role of collectively run commerce, individual commerce, comprehensive trade markets, specialized markets, and village fairs in promoting commodity circulation and production and in creating jobs.

This province relies on other provinces and places to a great extent for energy and for raw and processed materials. We should pay attention to building up the market of the means of production, make great efforts to strengthen and promote economic and technological cooperation with other regions, expand lateral economic relations, and encourage legitimate organizations and enterprises to procure important materials from outside this province. Policies to encourage lateral economic relations should be kept stable, and must not be changed rashly.

We should try in every possible way to arrange market supply well, strive to ensure the supply of daily necessities to the people, and keep the market stable. In particular, we should continue to do a good job in food supply. In addition to ensuring the rationing of grain and edible oil, we should step up the construction of production centers for pigs, vegetables, poultry, and eggs, and stabilize current production center construction policies and reward measures. We should pay attention to readjusting market supply according to seasonal demands, and ensure the ample supply of nonstaple food for urban market. To ensure the supply of daily necessities to the people, industrial departments must deliver commodities to commercial departments according to the provincial plan. While industrial departments should not refuse to make the delivery, the commercial departments should not refuse to accept it.

We must continue to strictly control the scope of commodity price increases. This is an important task concerning the vital interests of the people and social and economic stability. The state has instructed that commodity price increases this year be kept within the 14-16 percent range [as published]. A great deal of work remains to be done to attain this objective. Governments at all levels should make comprehensive efforts to strengthen price control and keep market prices stable to reassure the people. The provincial government has decided to exercise overall control and systematic management of the prices and fees of 47 consumer goods and services which have an important bearing on people's livelihood, beginning this year. The departments concerned should coordinate the production, distribution, transport, and marketing of these consumer goods. It is necessary to properly centralize the commodity price control authority and strictly enforce commodity price discipline. No locality, department, enterprise, or organization is permitted to go beyond its authority in raising prices. All state-run, collectively-run, and individual commerce and service trades must clearly mark the prices of their goods and services. It is necessary to give play to the role of mass organizations and public opinion in supervising market commodity prices. It is necessary to resolutely stop, and correct, the malpractices

of unauthorized price increases, unauthorized apportionment of financial burdens, and unauthorized collection of fees and fines. **5. It is necessary to persist in opening to the outside world and keep a steady growth in the export trade.**

Opening to the outside world is a basic policy we must long adhere to. To develop an export-orientated economy is a long-term strategy for Zhejiang's economic development, as well as an important measure in overcoming present difficulties, promoting the readjustment of the economic structure, raising industrial production, improving the quality of enterprises, and maintaining economic stability. At present, our pace of opening to the outside world is not yet fast enough, the proportion of our export trade value in the gross provincial product is still lower than the national average, and the level of foreign investment in this province is also lower than that in our neighboring provinces and municipality. We should strive to improve the situation.

Under the precondition that attention is paid to economic efficiency, we should work hard to increase the export trade and overfulfill this year's provincial export plan. We should readjust the lineup of export commodities according to international market demand, and continue to stabilize and increase the export of silk fabric, textile goods, light industrial products, agricultural and sideline products, native products, and animal husbandry products. We should strive to increase the export of marketable and profitable products and products of precision work. Since our machinery and electric appliances are of high technological level and have competitive power, we should support their production and increase their export. We should continue to use more imported technology, equipment, raw materials, and parts to produce more export goods. We should further increase the job of processing imported materials. We should pay attention to the quality of export commodities, establish a strict system of responsibility for quality control, strive to increase the pattern and variety of products, improve the design, packing, and grade of products, and strive to sell products at the best prices and earn more foreign exchange. We should continue to control the purchasing prices of export goods, enforce the price ceilings set by the state, and resolutely ban purchase of export goods at higher than officially-set prices. We should harshly punish smugglers. Enterprises producing or marketing export goods should improve management and economic accounting, lower costs, and enhance the competitive power of their products. Producers, transporters, and dealers of foreign trade goods should strictly fulfill contracts with respect to delivery time, quality, and quantity of delivered goods to keep a good foreign trade reputation. While securing and developing markets in Hong Kong, Macao, Japan, the United States, and West Europe, we should actively open up new international markets and comprehensively develop economic relations and trade with other countries. Tourism, insurance, transport, labor service, and other nontrade activities have a great potential in earning foreign exchange. It is necessary to pay attention to them and make new progress in this regard.

It is necessary to strengthen import control and strictly examine import requests before giving approval, so that our limited foreign exchange reserve will be spent on buying truly necessary materials and equipment, and prevent repetitive and blind imports. We should ban the import of high-grade consumer and luxurious goods, and restrict the import of ordinary machinery and electric appliances.

Currently, Zhejiang Province is open to the outside world in various forms, such as economic and technological development zones, open coastal cities, international tourism cities, open coastal economic zones, and the southwestern region of the province. The various regions should take full advantage of their favorable conditions to strengthen lateral ties with one another, to create an overall superiority in the course of opening to the outside world. The provincial government has decided that, while accelerating the construction of the Xiaogang Economic and Technological Development Zone in Ningbo and the Longwan Export Processing Zone in Wenzhou, we should also systematically build the Qianjiang Export Industry Zone when foreign and domestic investment are available. All open cities and regions should adopt effective measures to accelerate the development of an export-orientated economy. We should broaden the avenue of using foreign capital and attract more foreign investment in projects conforming to our country's industrial policy, including joint ventures, cooperative and wholly foreign-owned enterprises. In some localities where the necessary conditions exist, land may be leased to foreign businessmen for investment. We should actively attract Taiwan compatriots to invest and build factories.

The key to effective use of foreign capital lies in improvement of the investment environment. While further improving the "hard environment," such as transport, energy supply, and telecommunications, we should particularly make efforts to improve the "soft environment." We should establish an authoritative managing mechanism which is commensurate with the export-orientated economy. We should advocate high efficiency, high speed, and quick pace. All open cities and counties should manage foreign capital in a centralized way, raise working efficiency, and improve service. They should also effectively coordinate the supply of funds, energy, and raw and processed materials, and improve the workers' job skills. All government departments should consider the interests of the whole, closely cooperate with one another, and do all they can to help foreign investors overcome difficulties in production and operation. Foreign investment and loans from foreign governments and international monetary organizations should be actively sought. However, we must pay attention to overall planning and do a good job in appraising the feasibility of planned projects, so that all started projects will be successful. **6. It is necessary to stabilize current reform measures and strengthen and improve overall control.**

The tasks of improving the economic environment, rectifying economic order, and deepening reform are

complementary to each other. The stress of the current task of deepening reforms is to stabilize, enrich, readjust, and improve on-going reform measures, promote what is beneficial and abolish what is harmful, and strengthen the weak links which were overlooked in the course of reform in the past.

We should stabilize and improve the contracted managerial responsibility system. The contracts of the first round with most enterprises have expired. We should sign the second round of contracts with them as soon as possible. Generally speaking, the new contracts should be for three years. If conditions permit, the duration may be set for five years, so that the contracts will coincide with the Eighth Five-Year Plan. With a small number of enterprises, of which the production tasks are abnormal, and with some enterprises needing readjustment according to our industrial policy, the duration of the contracts may be shorter. In signing new contracts, we should advocate all-personnel or collective contracts, and select new contractors in accordance with the principle of "making small readjustments while keeping the majority unchanged." In setting the base figures for the contracts, we should consider the interests of the state, enterprises, and workers at the same time, and make proper readjustment of irrational old base figures. The contracts should contain terms not only on profit delivery quota, but also on requirements for technological progresses and further development capacity, as well as terms preventing short-sighted behavior. Individual income in an enterprise should be neither equal nor drastically different. A manager's annual income should generally double or triple that of a worker. Even a manager with extraordinary performance should not be paid more than four times that of a worker. In places where conditions permit, we should actively implement the system of "joint guarantee for fulfilling the contract" to ensure a two-way guarantee between the manager and the producers in an enterprise.

Incentive measures should be taken to encourage enterprises to combine or merge their operation because combination or merger is good for readjusting product mix and restructuring business management. The existing enterprise groups should pay special attention to developing themselves into well-formed organizations.

Projects to be accomplished during the economic retrenchment period should be well planned. In accordance with the state's centralized planning, we should, while enlivening microeconomic activities, gradually expand our macroscopic regulatory and control capacity by appropriately concentrating the use of financial and material resources. We should also appropriately expand the scope of mandatory plans, increase their size, make sure that they are seriously carried out, and improve the implementation measures so that these plans can be carried out more effectively. Planning departments should make sure that their plans are scientifically drawn up. They should conduct more thorough investigation and study, pay attention to economic forecast and analysis, so that they can achieve an overall balance, strictly

enforce the state's production policies, and give full scope to the functions of all economic levers. We should intensify the legislation of laws for economic supervision, control, and regulation; and give full scope to the roles played by departments in charge of fiscal and tax affairs, prices, audits, statistics, commodity inspection, customs, supervision, business administration, standards and measurements, and environmental protection by organizing them to enforce laws and intensify supervision.

The principle for combining planned economic control and market regulation should be correctly understood and implemented. Efforts should be made to find ways through which operational mechanisms combining economic planning and market regulations can be gradually devised. Patterns and measures for combining economic planning and planned regulation should be sought on the basis of the nature of different types of ownership and the situation of different enterprises, regions, industries, and products at different times, with an aim to achieve better economic performance and bring about a sustained, steady, and coordinated economic development.

IV Give Priority to Scientific, Technical, and Education Development; and Energetically Intensify Socialist Spiritual Construction

This year's scientific and technical work should proceed under the guidance of the principle that "economic construction must have the support of science and technology, and science and technology must be geared to the needs of economic construction," paying special attention to "reinvigorating agriculture through science and technology" and upgrading the technology of industrial and communications sectors. Specifically, the work in the following three areas should be accomplished:

First, we should popularize the useful technology which is at our disposal. Agriculturally, we should aim at expanding "cropland which yields one metric ton of grain per mu." Special attention should be paid to popularizing 19 types of agricultural technology, including the use of newly-cultivated rice, wheat, and cotton strains; high-yield cultivation; and high-yield cultivation of dry crops. We should also stabilize and reinforce the contingents assigned to popularize agricultural technology; establish and improve the four-tier agricultural technology network, which comprises counties, townships, villages, and groups; and provide services needed before, during, and after production. We should continue to carry out the "Sparks Program" and the "Bumper Crops Program." Industrially, we should, in accordance with the needs of restructuring production patterns and readjusting product mix, focus our efforts on popularizing technology, which has a major impact on the development of as energy, communications services, output raw and semifinished materials, and other basic industries. Moreover, we should popularize the kind of advanced technology which optimizes product

mix, improves product quality, lowers energy consumption, and reduces pollution. Furthermore, we should do a good job in assimilating and domesticating imported technology and equipment.

Second, we should organize scientists and technicians to brainstorm projects having a major impact on Zhejiang's economic development. This year, emphasis will be placed on developing good seed strains—especially rice—techniques of increasing output and achieving multiple crops of dry grain, livestock and poultry feed, measures for combating and preventing natural disasters, automated control of industrial production, electrical and electronics technology, new materials and their uses, technology of utilizing renewable resources, biotechnology, and so forth. Meanwhile, we should draw up policies for encouraging development of new technology. In the spirit of "setting limited number of objectives and giving prominence to the main points," we should continue to enforce the "Torch Program," upgrade our traditional industries with new technology, and draw up plans for developing new, high-technology industries with typical Zhejiang characteristics. We should also promote scientific and technical cooperation with other countries and expand our technology exports.

Third, we should intensify basic science research. This year, we will continue to earmark more funds to support Zhejiang's natural science foundation, improve the management of these funds, and properly subsidize basic research projects in order to expand Zhejiang's capacity for future scientific and technological development.

We should attach importance to social sciences and intensify social science study. We should organize social science workers to take part in the formulation of economic and social development plans for the 1990's, work with the actual planners to conduct investigation and study of major issues relevant to economic and social development, and, through the basic Marxist perspective, provide theoretical answers to issues concerning reform and open policy and material and spiritual construction.

We should continue to promote the integration of science and technology with economic development. All government department leaders and business administrators must heighten their awareness of the importance of science and technology and their sense of urgency and responsibility in promoting the application of science and technology. Business administrators must realize that, during the course of economic retrenchment and when market competition is increasingly fierce, their businesses cannot possibly survive and develop without modern science and technology. To encourage enterprises to upgrade their technology, we should, while specifically requiring them to upgrade their technology when contracts are renewed, adopt necessary incentive measures based on facts obtained from investigation and study. Meanwhile, we should continue to restructure the management of scientists and technicians and improve the system under which directors of research units are held responsible for their performance. While improving

the working and living conditions of scientists and technicians, we should continue to encourage them to rely on their own efforts, work hard, help each other, and make selfless contributions. We should also organize them to serve in rural areas and enterprises.

Guided by the principle that education should serve socialist construction and that it should be integrated with productive labor, schools of all descriptions should always consider it their top priority to firmly follow the correct political course and earnestly correct the tendency of ignoring students' moral education and all-around development. The fight between us and hostile forces at home and abroad for the educational bastion and the younger generation is one focal point of the struggle between the proponents and opponents of "peaceful evolution." Thus, we must remain sober, uphold party leadership over education, firmly follow the socialist course of education, persist in educating students with Marxism-Leninism-Mao Zedong Thought, and insist on considering it the basic mission of schools to train builders of, and successors to, the socialist cause. This mission must be considered as an integral part of our educational thought, curricula, leadership system, and educational policies.

All schools, especially schools of higher education, must firmly educate their teachers and students on basic Marxist theories; help them observe, analyze, and handle issues from the Marxist stand and viewpoint and with Marxist methods; and guide them to integrate themselves with workers and peasants and with productive labor. We should extensively and thoroughly educate students on socialism, patriotism, and the current situation of the country to foster their patriotism and help them understand the need to serve the country, be proud of their country and themselves, be more self-assured, and love their socialist motherland even more. Efforts should be made to improve campus order and enforce school discipline. Schools should have stronger leading bodies. In principle, presidents of schools of higher education should be responsible for school administration under the leadership of party committees. In middle and primary schools, the system under which principals are in charge of school management should be gradually instituted. In these schools, the principals should, under the leadership of higher party committees, properly manage their schools and take charge of students' overall development.

Compulsory education is the foundation of education as a whole. We should continue to implement the "Compulsory Education Law." This year, compulsory education will be carried out in 300 additional townships and towns. Vocational and technical education is an important part of modern education. Positive efforts should be made to improve the operation of all types of secondary special training schools, technical schools, and vocational schools. We should earnestly sum up the experiences we have gained in carrying out educational reform and give local government greater power to plan and take charge of education by maintaining the system under

which local authorities are responsible for basic education and schools are operated and managed by respective authorities. Emphasis should be placed on rural education. The "Prairie Fire Program" [liao yuan ji hua 3598 0626 6060 0439], which is an important part of educational reform in the rural areas, should be gradually expanded this year on the basis of the experiences we have gained from various pilot projects. We should make overall planning of basic, vocational and technical, and adult education in various localities through integrating agricultural production, the study of sciences, and classroom education to train useful personnel for the rural areas and promote their economic and social development. The curricula of schools of all descriptions must be realistic and should not be separated from labor and actual needs of society.

With respect to higher education, emphasis should be placed on restructuring the educational system and upgrading their standards. The levels, curricula, and specialty courses should be restructured according to the needs of economic construction and development of public services. The scope of specialty courses should be expanded so that they can keep pace with actual needs. We should continue to restructure the system of enrolling college students and assigning college graduates. In adult education, the macroscopic management should be improved, focusing on on-the-job training and vocational training and controlling the number of adults who study only for a more impressive educational record [kong zhi cheng ren xue li jiao yu di gui mo 2235 0455 2052 0086 2403 5148 4104 6016 2875]. Earnest efforts should be made to wipe out illiteracy and reduce the percentage of illiterate young people and people between their thirties and fifties. The support of all social quarters should be sought to develop kindergarten education.

Despite the smaller budget this year, a larger amount of money has been budgeted for scientific, technological, and educational development. In addition to a larger operating budget, the provincial government will continue to earmark special funds for tackling difficult scientific and technical problems and for scientific and technological development, high-technology research, natural science study, and other educational projects. The provincial government will continue to earmark 15 percent of the regulatory funds budgeted by the state to subsidize the public funds for compulsory education. Educational surcharge must be collected without fail. Continual efforts should be made to raise more educational funds and improve the efficiency of spending these funds.

We must uphold the orientation of "serving socialism and the people" and the basic policy of "letting a hundred flowers blossom and a hundred schools of thought contend" in literature and art and make vigorous efforts to foster and develop Chinese culture. Currently, we must persist in wiping out pornography and eliminating the "six pests," while at the same time bringing about cultural prosperity. We must use healthy, outstanding literary and artistic works to occupy the ideological and cultural fronts, effectively eliminate the

influence of bourgeois liberalization, and enrich people's cultural life to inspire people to work hard and march forward. We must continue to do a good job of structural reform on the cultural front, focusing in particular on the professional art and performing groups. We must strengthen management of the cultural market and push forward the development of different cultural undertakings. In newspaper, radio, television, and publishing, we must implement the policy of putting main emphasis on positive propaganda and firmly grasp the basic theme of propaganda, namely, "stability" and "inspiring people." We must comprehensively and accurately publicize the party's basic line and mobilize the people throughout the province to work hard with great confidence to contribute to the endeavor of improving the economic environment, rectifying economic order, deepening reform, and stabilizing society and the economy.

At present, education in the party's basic line and in the current situation is being conducted on a wide scale and in a deep-going way in all urban and rural areas of our province. In all localities, we must use this educational drive as a starting point to strengthen and improve grass-roots ideological-political work. We must conduct education on a regular basis. We must integrate this educational drive with the activities of selecting "good families in five aspects," with the joint efforts of the military, police, and civilians to build civilized units, with the activities carried out by all trades and professions to learn from the Daqing Spirit, and with education in professional ethics and public morality. We must conduct ideological-political work on a regular basis and in every corner of society.

We must extensively and in a deep-going way carry out the patriotic public health campaign. We must implement the policy of "putting prevention first" in public health work, step up the prevention and treatment of contagious and endemic diseases and other ailments which seriously threaten the people's health. We must take effective measures to firmly control and eliminate snail fever in the afflicted areas. We must attach importance to the work of traditional Chinese medicine and pharmaceuticals, and to medical research, reorganize the pharmaceutical market, ban and eliminate fake medicine, bring medical bills into order, and strengthen the management of a free medical service. We must pay attention to protecting the sources of drinking water and step up efforts to improve water supplies in the rural areas.

In physical culture, we must proceed from the point of improving and enhancing the people's physique, promote competitive sports and fitness exercise at the same time, promote the selection and training of reserve personnel in sports, and make active efforts to carry out the preparatory work for the Asian Games. We must make the provincial sports meet a success.

Our province is still in the peak period of birth. We cannot afford to relax our efforts in controlling population growth and promoting eugenics. We must make this the focus of our work in the rural areas. We must

strengthen propaganda and guidance in family planning and publicize and strictly enforce the newly promulgated "Zhejiang Provincial Regulations on Family Planning." We must vigorously strengthen basic work, establish and improve the family planning service network at the regional, township, and village levels, strengthen family planning control over a floating population, and increase the ratio of couples practicing family planning to ensure that both the birth rate and natural population growth rate in the province's population are controlled within the limit set in our plan.

Protecting the ecological environment is one of China's three fundamental policies. Governments at all levels must firmly implement the "Environmental Protection Law," make active efforts to carry out the prevention and control of the "three wastes," and strive to protect and improve the ecological environment.

Governments at all levels must pay more attention to the aging problem and support the elderly committees to conduct their work. In recent years, there have been reports of ill-treatment of the elderly, with some elderly people being maltreated to death. Under no circumstances can this state of affairs be tolerated. We must firmly implement the "Zhejiang Provincial Regulations Governing the Protection of the Legitimate Rights and Interests of the Elderly" and earnestly protect the elderly's legitimate rights and interests. At the same time, we must attach importance to the healthy growth of children and youngsters. In addition to making full use of the roles of the Communist Youth League and the women's federations in this respect, we must also bring into play the role of other organizations, such as the Association for the Concern of the Next Generation.

V. Strengthen the Socialist Legal System and Consolidate and Develop Political Stability and Unity

We must pay particular attention to fully enhancing the people's political initiative of being masters of their own country. Governments at all levels must bear in mind the importance of defending the Constitution and the dignity of the law, as well as defending the people's democratic rights to be masters of their own country, submit important matters to the people's congresses for deliberation and approval, and earnestly carry out their decisions. They must report their work to people's congresses and their standing committees and consciously accept their supervision. While exercising their administrative functions, governments at all levels must respect the people's congresses' rights to carry out supervision according to the law. In addition, they must also accept the support of Chinese people's political consultative conferences [CPPCC], democratic parties, and people in every quarter, and their democratic supervision; respect CPPCC members' right to exercise their democratic rights; and fully enhance their role in participating in administration of state affairs. Governments at all levels must constantly keep the CPPCC, democratic parties, patriotic people without party affiliation, and various people's organizations informed of the current situation.

In discussing their work and making decisions on important matters, governments at all levels must earnestly listen to the suggestions of CPPCC members and people of various quarters, including workers, young people, and women. Every effort should be made to ensure that government policy decisions be made scientifically and in a democratic way. The CPC Central Committee recently made public its Opinions on Upholding and Improving the System of Multiparty Cooperation and Democratic Consultation Under the Leadership of the Communist Party of China. This is a major event in the political life of our country. Governments at all levels must organize people to earnestly study this document and implement what they have asked. They must improve the work of handling suggestions from people's deputies and motions from CPPCC members. Many comrades in the provincial government and various departments have learned from experience that doing this work well is an important way through which the government can strengthen its ties with the masses, accept their supervision, gain political strength, and improve its work. In the days to come, they must pay particular attention to earnestly implementing the central document. Doing a good job in dealing with nationality and religious affairs, as well as affairs concerning Overseas Chinese and Taiwan, is particularly important to strengthening national unity, enhancing friendship with Hong Kong, Macao, and Taiwan compatriots and Overseas Chinese, expanding economic and cultural exchanges with foreign countries, and achieving the great cause of reunifying the motherland. Therefore, conscientious efforts must be devoted to grasping this job.

While promoting socialist democracy, we must strengthen the building of the socialist legal system. Governments at all levels should continue to conduct legal education in order to enhance people's concept of the legal system and to enable people to know, understand, and observe the law. Government functionaries at all levels should earnestly study laws and decrees. They must enforce laws impartially and learn how to administer social affairs and economic work by relying on laws and decrees. The Administrative Procedural Law of the People's Republic of China will go into effect on 1 October. Governments at all levels must conduct an overall checkup of existing administrative laws and regulations, exercise their functions in accordance with the law, and avoid the past practice of replacing laws with personal commands and administrative orders, and completely ignoring laws.

We must safeguard social stability by effectively adopting a comprehensive program to improve public order. Although class struggle is not the principal contradiction in our society, it will still exist to a certain extent for a long time to come, and may even become acute under certain conditions. Governments and departments at all levels must make the safeguarding of social stability their important political task. They should draw on last year's experience in stopping the turmoil and quelling the rebellion, promptly master the

social and political trends, eliminate factors leading to instability, and enhance their ability to guard against and handle emergencies. All localities and departments must take the initiative to adopt measures to mitigate, individually, factors causing instability in order to solve problems of turmoil and emergencies in their early stages. The public security department should lose no time in organizing special struggles and improvement projects to deal with conspicuous problems concerning public security and order, and harshly punish serious criminals, including economic criminals. It is necessary to pay attention to preventing fire and other accidents affecting public order, and strive to keep the loss caused by such accidents to a minimum. We should pay attention to building grass-roots police stations into an integrated public security system, performing multiple functions of "combating, prevention, control, and construction." We should encourage healthy trends, and give wide publicity to, and commend, good people who struggle against crime. The work of reform through labor and reeducation through labor is a part of this socialist country's great undertaking to remold people and transform society. Governments at all levels should take the initiative in helping the department of reform through labor and the department of reeducation through labor solve their problems and support their work. It is necessary to improve the work of lawyers and notaries and the work of grass-roots legal service offices. It is necessary to strengthen the internal security work of party and government offices, enterprises, and institutions, improve public security and mediation work at grass-roots units, and defend the frontline of public security and order. We should do a good job in census taking and improve population management. Public security and judicial organs should improve themselves politically and vocationally, enforce discipline among their personnel, act strictly according to law, and make even greater contributions to ensuring social stability.

It is necessary to strengthen the building of political power at the grass-roots level. It is necessary to make great efforts to publicize and implement the organic law for the villagers' committees and that for the urban residents' committees. It is necessary to strengthen villagers' and urban residents' committees. We should give full play to the role of civil affairs in bringing about social stability. We should improve the management of mass organizations, and bring into full play their positive role in promoting economic, cultural, scientific, and technological development. We should continue to reform the work of providing disaster relief and providing other relief in rural areas, integrate the work of providing disaster relief with the work of helping the poor, and combine the work of providing disaster relief with that of social insurance. We should rely on the resources of the state, the collectives, and the public to run social welfare undertakings in various forms and at various levels. We should continue to do a good work for handicapped people, and particularly the "three rehabilitations."

"If soldiers and the people are united as one, who in the world can match them?" We should seriously implement

"Regulations of Zhejiang Province on National Defense Education," carry out the national defense education in a widespread and thoroughgoing way, and educate the people in loving the People's Liberation Army. The "Law of the People's Republic of China on Protection of Military Installations" has been adopted. We should do a good job in publicizing it and preparing its implementation, and conscientiously protect military installations well. Both the militia and reservists are the reserve forces of the People's Liberation Army. Government at all levels should continue to improve the work of militia and reservists, constantly improving their quality politically and militarily, and give full play to their role in building the two civilizations and in dealing with emergencies. It is necessary to do an even better job in supporting the Army and giving preferential treatment to families of soldiers and revolutionary martyrs, implement the policies of giving special care to disabled servicemen and to family members of revolutionary martyrs and servicemen, and resettle army veterans properly. At the same time, it is necessary to pay attention to education in keeping secrets, and enhance the sense of national security.

VI Ensure Diligence and Honesty Among Cadres and Earnestly Improve the Style of Work

We should seriously implement the guidelines of the circular issued by the CPC Central Committee and the State Council on organizing and sending cadres to work at grass-roots units. We should earnestly improve our style of work, overcome bureaucracy, further strengthen ties with the people, and rely on, and arouse, the people's initiative and creativity. These actions will provide an important guarantee to accomplish the work for 1990, or even that for the entire decade of the 1990's. For many years, our government personnel have worked very hard and wanted to do their job well. However, there are indeed many things which have not been done well, and have even been done wrongly. Cadres at grass-roots units and the vast number of people are not satisfied with such a situation. The fundamental reason for the failure is that we have divorced ourselves to a certain extent from the masses and from reality. For this reason, we should greatly improve our style of work in the new year. First, office cadres of the provincial government and all governments at lower levels should be organized and led by leading cadres to work in rural areas and at factories, schools, neighborhoods, and other places where many problems and great difficulties exist. We should institute such a system that all the comrades who can go to grass-roots units will be required to do so on a rotational basis. Their main jobs at grass-roots units will be to listen to the masses' opinions, suggestions, and criticism; to familiarize themselves with the actual situation of grass-roots units, any new things emerging in the course of practice, and existing problems; to publicize the principles and policies of the party and the government and strengthen ideological and political work; and join the cadres at grass-roots units and the masses in overcoming difficulties with respect to production, work, and livelihood. In the course of working at grass-roots units, the

comrades from the party and government offices will have an opportunity to have themselves educated and tempered, and this is conducive to improving the work of party and government organs. Second, responsible comrades of the provincial government and all departments and bureaus should pay close attention to major issues in the current work and long-term development and arrange time to personally go down to the grass roots to conduct investigations and study. Third, the governor, vice governors, and directors and deputy directors of departments and bureaus should establish their own contact points for maintaining ties with the grass-roots cadres and masses. Fourth, we should continue to select and dispatch office cadres to work and undergo training at the grass-roots level, as well as outstanding middle-aged and young teachers from schools of higher learning, scientific research institutes, and other relevant departments to take up posts at the county, district, township, or grass-roots enterprises and institutions. Fifth, we should cut down meetings, documents, and social activities in order to create the necessary conditions for office cadres to go down to the grass roots. Sixth, formalities should be simplified when leading cadres visit grass-roots units, and there should be no welcome and sendoff parties. Seventh, it is necessary to formulate plans of the work in all fields and supervise their implementation.

To promote the construction of clean government and combat corruption is a long-range task. Some of the nine tasks for promoting clean government, which were put forward by the provincial party committee and the provincial government last year, have already been implemented, and they should continue to be so; and others should also be implemented. This year, efforts should be concentrated on screening, investigating, and handling work in the following areas: screening and consolidating companies; screening "unauthorized treasuries"; investigating violations of law and discipline by party and government cadres in building unauthorized living quarters, occupying excessive public housing, and using public funds to build or decorate luxurious living quarters; and investigating and punishing leading organs and cadres, law enforcement and supervision departments, and other functionaries who abuse their power and position in obtaining unlawful interests. Major and important cases must be earnestly handled on the basis of thorough investigation. Moreover, unhealthy practices strongly resented by the masses must also be investigated and handled earnestly. To promote the building of a clean government, it is necessary to educate cadres in order to enhance their understanding of being a public servant and of the meaning of a clean government and to enable them to correctly exercise the power entrusted by the people. Leading cadres should play a leading role in this respect. It is necessary to consolidate and develop the success of our endeavor to build clean government, mainly aimed at promoting "two opennesses and one supervision," in order to enhance the standardization and openness of the public activities of government and economic administrative, supervisory, public utilities, and law-enforcement departments. It is

necessary to improve the mechanism of supervision and give full play to the role of supervisory departments, crime-reporting centers, and departments in charge of handling public letters and visits.

It is necessary to keep overall interests in mind and coordinate all the activities of the nation, as in a chess game. This is particularly important for our current effort to improve the economic environment and rectify economic order. Leaders of governments at all levels and their functionaries must firmly bear in mind that local interests are subordinate to state interests and that the interests of the part are subordinate to those of the whole, understand the difficulties of the state, and take the initiative to lighten its difficulties. They must strengthen discipline, earnestly implement the central authorities' unified policies, decrees, and plans, and must not, under any circumstances, refuse to implement them and put up a passive resistance by complying in public but opposing in private; neither are they permitted to take what they need by implementing what meets their interests and refusing to implement what does not meet them. Governments and departments at all levels throughout the province should understand one another, coordinate, and strive to tide over the difficulties by sharing weal and woe together.

Government functionaries, particularly leading cadres, should earnestly study Marxism-Leninism-Mao Zedong Thought and the works of Comrade Deng Xiaoping. Most important of all, they should upgrade their theoretical level by studying philosophy well. At the same time, they should also earnestly study, and understand, a series of important documents adopted since the fourth and fifth plenary sessions of the party's 13th Central Committee, as well as the important speeches by Jiang Zemin and other leading comrades, integrate theory with practice, and use these documents and speeches to transform their world outlook, guiding their work and their actions. Only thus can they adhere to the socialist orientation, stick to the goal of serving the people wholeheartedly, resist the onslaught by the trend toward bourgeois-liberalization thinking, constantly upgrade their ideological level, understanding of policies, leadership skills, overcome bureaucraticism, and avoid doing things aimlessly and one-sidedly.

Fellow deputies, we have now entered the great 1990's. We are shouldering heavy tasks and facing tremendous difficulties, but there are also many favorable conditions. Once we tide over these temporary difficulties, we shall see that brightness is just ahead of us. Under the leadership of the party Central Committee, the State Council, and the provincial party committee, and relying on the concerted efforts and unity of the soldiers and people throughout the province, we are confident of doing a good job in improving the economic environment, rectifying economic order, and deepening reform; of quickly bringing about a sustained, steady, and coordinated development of the national economy; of consolidating and developing political stability and unity; and of making due contributions to the great cause of

reunification of the motherland and of building socialism with Chinese characteristics!

Central-South Region

Guangzhou Mayor Resigns, Acting Mayor Appointed

HK0706115090 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 7 Jun 90

[Text] Yesterday afternoon, the 18th Session of the Standing Committee of the Ninth Guangzhou City People's Congress adopted a decision on accepting Yang Ziyuan's resignation as mayor of Guangzhou City.

Comrade Yang Ziyuan was appointed mayor of Guangzhou by the First Plenary Session of the Ninth Guangzhou City People's Congress, which was convened in June 1988.

Members of the Standing Committee of the Guangzhou City People's Congress studied Comrade Yang Ziyuan's application for resignation as mayor of Guangzhou City and fully affirmed and spoke highly of the achievements by Comrade Yang Ziyuan during his two-year tenure of office.

The Standing Committee of the Guangzhou City People's Congress approved Comrade Yang Ziyuan's application for resignation as mayor of Guangzhou City due to his old age.

This afternoon [7 June], the 18th Session of the Standing Committee of the Ninth Guangzhou City People's Congress adopted a decision on appointing (Li Ziliu) acting mayor of Guangzhou City.

Deputy Secretary Now Acting Mayor

HK0706132390 Beijing ZHONGGUO XINWEN SHE in Chinese 1126 GMT 7 Jun 90

[Report by reporter Zhu Huiyi (2612 0583 8381): "Li Ziliu Appointed Acting Mayor of Guangzhou City"—ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 7 June (ZHONGGUO XINWEN SHE)—Li Ziliu [7812 1311 3177], who became Deputy Secretary of the Guangzhou City CPC Committee barely a month ago, was today appointed as Guangzhou City Vice Mayor and Acting Mayor.

Sixty-year old former Guangzhou City Mayor Yang Ziyuan [2799 6327 0337] earlier resigned from his mayoral post pleading old age. He was mayor for two years, well known for being steady and moderate.

Within a month's time Li Ziliu was promoted from the head of the Office of Guangdong Provincial Special Economic Zone to deputy secretary of Guangzhou City CPC Committee, and again to Guangzhou City vice mayor and acting mayor.

Li Ziliu, of Shunde County, Guangdong origin, 58, started his official career at grass-roots level. He has worked as secretary of Shunde County CPC Committee

and secretary of Jiangmen City CPC Committee. Last December he became head of the Office of Guangdong Provincial Special Economic Zone and achieved brilliant administrative performance in that post, popularly known for his sympathy for people's condition, placing of talents in important positions, down-to-earth work style and avoiding empty talk.

Guangxi Holds Forum To Commemorate Opium War

HK0706120790 Nanning Guangxi Regional Service in Mandarin 1030 GMT 6 Jun 90

[Excerpt] Yesterday afternoon, the Propaganda Department of the Guangxi Regional CPC Committee held a forum to commemorate the 150th anniversary of the Opium War.

The forum was attended by more than 30 representatives of the students and teachers from 12 Nanning-based institutions of higher learning.

Hou Depeng, member of the Standing Committee of the Guangxi Regional CPC Committee and concurrently vice chairman of the Guangxi Regional CPPCC Committee and director of the Guangxi Regional Education Commission, delivered a speech at the forum.

In his speech, Comrade Hou Depeng said that the Opium War and other wars of aggression against China launched by imperialism instigated the Chinese people's national spirit and patriotic spirit. It was under the wise leadership of the CPC that the Chinese people finally founded the PRC, stood up, and became the real masters of their own country. When commemorating the 150th anniversary of the Opium War, the Chinese people should hold aloft the great banner of patriotism, resolutely and steadfastly implement the principle of maintaining overall stability, and work harder to bring about a greater development of China. [passage omitted]

Northwest Region

Yin Kesheng Praises Earthquake Relief Work

HK0606043590 Xining Qinghai Provincial Service in Mandarin 2230 GMT 5 Jun 90

[Text] After listening to a number of reports given recently by the "Earthquake Relief Work Report Delegation," which was organized by the Qinghai Provincial Federation of Trade Unions, Yin Kesheng, secretary of the Qinghai Provincial CPC Committee, said that the reports given by the report delegation were vivid, truthful, and appealing.

Comrade Yin Kesheng also expressed the hope that the report delegation will further popularize all the advanced deeds and advanced ideologies among the people working at the grass-roots level.

Comrade Yin Kesheng praised the report delegation for linking advanced deeds by advanced people who have

excelled in Qinghai's earthquake relief work with Qinghai's work of reform and opening up to the outside world and with correct leadership by the CPC committees and people's governments at all levels in Qinghai.

Comrade Yin Kesheng said that all the reports given by the report delegation contained concrete and vivid contents. The reports on the heroic cadres and advanced CPC members who bravely saved people during the earthquake have strong appeal indeed for the masses.

Comrade Yin Kesheng stressed that when the earthquake took place and the houses and crops of the masses were destroyed, it was the CPC committees and the people's governments at all levels in Qinghai, not anyone else, who sent disaster relief to the people in the disaster areas. This shows that only the CPC and the socialist system are the guarantee for the success of China's revolution and construction. Comrade Yin Kesheng expressed the hope that after listening to the reports given by the report delegation, the broad masses of the people will fully understand this truth.

Comrade Yin Kesheng also demanded that the report delegation give more reports on the heroic deeds performed by the broad masses of CPC members, cadres, and People's Liberation Army officers and soldiers in the course of the earthquake relief work and carry out more propaganda aimed at encouraging the broad masses of people to make greater contributions to Qinghai's development in their respective work posts, further promoting the activities of learning from Lei Feng, Mengtuonayi, Jiao Yulu, and the Daqing Oil Field at various levels, and pushing ahead with the socialist labor emulation drive among the broad masses of staff and workers in Qinghai.

'Rectification' Planned for Xinjiang Grass Roots

HK0706013790 Hong Kong HONGKONG STANDARD in English 7 Jun 90 p 8

[Text] Grass-roots Communist Party committees in Xinjiang Uygur Autonomous Region will undergo a shake-up after rebellions in April, said a report reaching Beijing yesterday.

The party committee "will spend the next two to three years carrying out a rectification of party grass-roots organisations and grass-roots organisations and grass-roots power", the newspaper XINJIANG DAILY quoted party secretary Song Hanliang as saying.

Rectification is the party's euphemism for an intense investigation followed by purges of anyone failing to measure up to the political standard.

Commentary Urges Improvement

OW0706042690 Urumqi Xinjiang Television Network in Mandarin 1300 GMT 4 Jun 90

[Commentary by Xinjiang People's Broadcasting Station and Xinjiang Television Station: "Go All Out To Strengthen Rural Grass-Roots Improvement;" from the "Xinjiang News" program]

[Text] Grass-roots party organizations in rural areas are cores and fighting fortresses leading the masses to march forward. Rural grass-roots political power is the foundation of that of the state. Whether grass-roots party organizations and political-power organs are staunch and powerful has a direct bearing on the implementation of the party's line, principles, and policies and is of vital importance to the stabilization of the overall situation, development of political stability and unity, and promotion of the work of building material and spiritual civilizations in rural areas.

Over the past few years, a lot of work has been done in this region to strengthen the improvement of grass-roots units. Most of our rural grass-roots party organizations and political-power organs are good or relatively good. They have stood the tests of exercising administrative power, conducting reforms, and opening to the outside world. On the other hand, numerous problems are found in a small number of party organizations and political-power organs. In grass-roots leading bodies, for example, some individuals lack the idea of serving the people wholeheartedly and are indifferent to the interests of peasants and herdsmen. Others have abused official power for selfish ends and violated the law and discipline. Still others have failed to uphold the four cardinal principles, take a clear-cut position against separatism, and safeguard the motherland's unification and national unity in the face of acute class struggle. Consequently, these leading bodies are in a paralyzed or semi-paralyzed state. This has provided an exploitable opportunity for a handful of national separatists and hostile elements, who have accordingly conducted frantic antiparty and anti-socialist activities under the cloak of religion. The recent counterrevolutionary armed rebellion in Baren Township was indicative of this problem. Party committees and governments at all levels should draw lessons from this incident, become fully aware of the urgency of strengthening the improvement of grass-roots party organizations and political-power organs, and take effective measures to improve these units in a down-to-earth way.

To strengthen the improvement of rural grass-roots units, we should, first of all, improve grass-roots party organizations so that they will become cores of leadership upholding the four cardinal principles. Grass-roots party organizations are required to lead the masses to advance steadfastly on the socialist road. They should persistently educate the masses of rural people in socialist ideology and the party's policy on nationalities and national unity so as to ensure stability in rural areas. It is necessary to carry forward the party's fine tradition, forge close ties with the masses, rally them around the party through in-depth and meticulous ideological work, and take a clear-cut position to lead them in the struggle against those hostile elements trying to split the unification of our motherland and undermine our national unity.

To strengthen the improvement of grass-roots party organizations, it is imperative to change the state of affairs where party organizations in some localities do not take care of party affairs. Efforts should be made to

strengthen the management and education of party members, perfect the three-meeting-and-one-class system [san hui yi ke zhi du], manage the party in a strict way, and enhance the party members' feeling of pride and sense of responsibility so that they will truly play their exemplary vanguard role.

To strengthen the improvement of rural grass-roots units, we must do well in improving political-power organs in rural areas. We must see to it that township governments and villagers' committees are functioning as authoritative organs of political power. These rural political-power organs should, based on the actual situation in their respective localities, lead the masses to prosper by working hard while observing the law, uphold the contract responsibility system linking remuneration with output, and vigorously develop the rural economy. They should systematically improve the people's living standards. In addition, they should act independently and according to law in carrying out their work. At present, they should truly strengthen control over religious activities and facilities and protect the citizens' rights to believe in, or not to believe in, any religion. Under no circumstances should they allow any religion to interfere in the state's administrative and judicial affairs, education work, marriage system, family-planning policy, and cultural

and public-health programs. Continued efforts should be made to strengthen the socialist front and consolidate the rural political-power organs.

The key to improvement of grass-roots units is to build powerful leading bodies. Party committees and governments at all levels should organize work teams to conduct detailed investigations to make clear the current situation of grass-roots party organizations and political-power organs. Grass-roots party organizations in a paralyzed or semi-paralyzed state without fighting capacity should be rectified in a serious way. Grass-roots political-power organs unable to play their due role should be reconstructed. It is imperative to ensure that the grass-roots leading power is firmly held by those people who are loyal to the party, the motherland, the people, and the socialist cause.

Party committees and governments at all levels should constantly study the new circumstances and problems encountered in the improvement of grass-roots units, propose solutions to problems, and sum up experience in a timely manner. When rural grass-roots party organizations and political-power organs are truly improved, there will be a reliable guarantee for stability in rural areas, a firm foundation for our socialist modernization, and high hopes for the success of our cause.

Commentary Views Li Teng-hui Inaugural Speech

HK0706084590 Beijing ZHONGGUO XINWEN SHE
in Chinese 0520 GMT 31 May 90

[“Commentary” by Wang Kuai (3769 1816): “Look at the ‘Policy Toward the Mainland’ Through the ‘Inaugural Speech’”]

[Text] Beijing, 31 May (ZHONGGUO XINWEN SHE)—On 20 May, Mr. Teng-hui Li delivered a long “inaugural speech” of over 3,000 words relating to seven aspects, namely constitutional government reform, party politics, economic development, culture and education, overseas compatriots, foreign relations, and policies toward the mainland. Now, people on the island and abroad are concerned about the Taiwan authorities’ mainland policies.

Only six hundred or so words, one fifth of the “speech,” relate to their policies towards the mainland. While the portion that really relates to practical problems are few, when we have removed the empty talk, lies, and propaganda, “Taiwan and the mainland are the inseparable territories of China, and all Chinese people are compatriots by blood and flesh. Of course, when the whole world is praying for peace and seeking reconciliation. All Chinese people should also bring about the reunification of China in a peaceful and democratic way.” If this really means something, this writer thinks that it has declared that the Taiwan authorities have acknowledged the basic attitude that Taiwan and the mainland are China’s inseparable territories and that people on both sides are of the same flesh and blood. Moreover, it also shows that that the Taiwan authorities are willing to seek the reunification of the country in a “peaceful and democratic” way. Although there is nothing new in this same old saying of the Taiwan authorities, it is not incorrect for the Taiwan authorities to say this again on this occasion to show that they still adhere to their original stand and imply the consensus of the people on both sides. But this time they did not stress, as they had in the past, the ideas that “there is only one China” and that “China will definitely be reunified,” causing one to be at a loss whether they intentionally avoided them or neglected them inadvertently.

In addition to the part mentioned above, there was another part that has substantial content. The words used are few, so we may as well quote them as follows: “If the CPC authorities can discern the world trend and the common expectation of the Chinese people as a whole, practice democratic political and free economic systems, abandon using force against Taiwan, and place no hindrance on the development of our foreign relations on the premise of having one China, we are willing to totally open up bilateral communication channels on an equal footing, and begin academic, cultural, economic, trade, scientific and technological exchanges, so as to lay the ground for mutual respect, peace and prosperity. When the objective conditions are ripe, we will discuss the matter of reunifying China in keeping with the common will of the Chinese people on both sides.”

The reader should note that this is a long compound sentence in a conditional mood, that is “if the CPC authorities can...we are willing to....” This explains that whatever the Taiwan authorities will do all “depend” on the CPC’s behavior. Moreover, the “dependence” carries so high a demand that it is impossible for the mainland to accept it. The three conditions they put forward are: First, they demand that the mainland “practice democratic political and free economic systems.” This obviously demands the mainland abandon the “four cardinal principles” and replace its political and economic systems by the so-called “Taiwan experience.” Second, they demand that the mainland “abandon using force against Taiwan.” While the mainland has declared once and again and has proven in deed that it seeks to unify the motherland through peaceful means. The reason it did not promise not to use force is that it is afraid that Taiwan will make itself independent, separating itself from the motherland and that it will check the forceful aggression of Taiwan by foreign powers. The mainland has made this clear many times and the Taiwan authorities should also have understood. Third, they demand that the mainland place no hindrance to “the development of foreign relations on the premise of having one China.” In fact, in recent years, the Taiwan authorities have vigorously practised the “flexibility diplomacy,” “dual recognition,” and “established and resumed diplomatic relations” with other countries and regions in the hope of practising “one Taiwan and one China,” or “two Chinas.” The phrase “on the premise of having one China” is some tricky and trapping expression only.

The “speech” stressed that only when the mainland has accepted the three conditions mentioned above will the Taiwan authorities “be willing to establish channels for communication between the two sides on an equal footing, will they “begin academic, cultural, economic, trade, scientific, and technological exchanges,” and will they “discuss the reunification of the country in keeping with the common will of the people across the strait when the objective conditions are ripe.” The “equal footing” described here did not say that “a who-and-who equal footing.” According to a recent view of the Taiwan authorities, it means a dialogue “between government and government.” In other words, they do not accept “talks between the two parties on an equal footing,” neither do they accept the “one country and two systems.” But they want to practise “two governments in one country” so as to achieve their goal of creating “one China and one Taiwan.” Furthermore, they stressed that “discussions on the reunification of the country” can only be started at a time “when the objective conditions are ripe.” When will the conditions be ripe? The Taiwan authorities can refuse talks in any excuse to negate that “the conditions are ripe.”

At first glance, this “inaugural speech” was so carefully worded as to convey a noble attitude, and mild and ingenious wording. When one studies carefully the part on Taiwan’s mainland policies, he will feel that they “charge an exorbitant price” and that the Taiwan

authorities are insincere in the reunification issue as they are evasive and use various excuses to postpone it to the indefinite future.

Nonetheless, although the "speech" was ambiguous, abstract and euphemistic in many places, it does not conceal the inner state of mind of the Taiwan authorities. First, by "charging an exorbitant price," they have thrown the "hot sweet potato" to the mainland in order to change their passive role into an active one. Second, they have deliberately placed some conditions that are unacceptable to another as the prerequisite for whether they will make a move or not so that they can pass their wrongs onto others. Third, they have incorrectly predicted the situation. Seeing the changes in East Europe they fancy that the mainland will turn color, and therefore they delay in handling the reunification issue.

"The president's inaugural speech" is an important proclamation of the Taiwan authorities as it will determine Taiwan's domestic and foreign policies, and their policies toward the mainland for the next six years. Their mainland policies, in particular, are an important factor that will affect the future of Taiwan. The abstract and ambiguous "speech" and different personal perspectives have given rise to totally different views among people, and these views vary greatly. Some praise it. Some blame it. Some say "it is very aggressive." Some say "it has turned backwards." Some say it is "very far-sighted and concrete." Some say "it is merely the voice of the high-ranking." Some say "it is impracticable." Some say "it embraces many new ideas." Some say "it is almost the same old story." Others think "it has alleviated hostility." Still others think "it has put up obstacles." However, has it "made headway" or "turned backward?" Judging from the wording, it has "turned backward" in some areas, of which the Taiwan authorities are most certain. The last sentence in the "speech" was: "From now on, we must usher in a new era which will be more glamorous for the Chinese nation!" Now that we have heard their words and seen their act, how the Taiwan authorities will usher in this new era is something the people of both sides need to wait and see.

Mainland Policy Assessed

HK0706040190 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 6 Jun 90 p 5

[Article by Yu Xin (6735 6580): "'Three Conditions' or 'Three Obstacles'?"]

[Text] When talking about his mainland policy in the speech on 20 May, Li Teng-hui said: If the mainland practices democratic politics and adopts a free economic system, gives up the plan to use force in the Taiwan Strait, and does not obstruct Taiwan's expansion of its external relations, then Taiwan is willing to establish communication channels on a reciprocal and equal basis; open academic, cultural, economic, trade, scientific, and technological exchanges on a full scale; and when the objective conditions are mature, consider the affairs concerning national reunification in light of the public

wishes of the Chinese people on both sides of the strait and on the basis of mutual respect, peaceful coexistence, and common prosperity.

This statement explicitly showed that Li Teng-hui took the three prerequisites as the foundation for developing relations with the mainland. In fact, the "three conditions" were aimed at introducing the so-called "Taiwan experience" to the mainland, forcing Beijing to unconditionally and openly promise to not use force in the strait and to allow Taiwan to pursue "elastic diplomacy" and "one country, two governments" as it pleases.

The "three conditions" are unacceptable. Taiwan's experience cannot be imposed on the mainland. According to the national interests and the needs of national reunification, we cannot promise to give up the use of force. If there is foreign armed aggression against Taiwan or if the "Taiwan independence" force takes action to separate Taiwan from the motherland, can China still sit by idly without taking any action? It is even more unrealistic to hope that various countries in the world would simultaneously recognize Beijing and Taiwan, thus Beijing and Taiwan could stand side by side "on an equal footing" as "two equal governments" and hold "two equal seats" in the world community.

Why did the Taiwan authorities dish out such "three conditions" as they knew that they would not be acceptable to Beijing? In essence, the Kuomintang ruling authorities tried to use these three prerequisites to evade direct contacts and talks with the mainland, and indefinitely postpone the process of peaceful reunification.

Li Teng-hui did utter a lot of remarks about relaxing relations between the two sides of the strait and mention that Taiwan is China's inseparable territory. He also admitted that all Chinese people are compatriots with blood links and that China's reunification is the common desire of all Chinese people. He expressed willingness to further improve relations between Taiwan and the mainland, to increase exchanges, and to reduce hostility. He could not but say all this, because this represented the general trend of the times.

However, we should not only listen to what he says but should also watch what he does. The three prerequisites are in fact obstacles to the improvement of relations between Taiwan and the mainland. The people in Taiwan strongly demand that exchanges with the mainland be normalized. In particular, industrialists and businessmen in Taiwan now hope for the further opening of the economic and trade policy, and demand that the authorities work out an explicit timetable for the mainland policy. However, Li Teng-hui set three obstacles to all this by putting forward the three conditions, and this was indeed disappointing.

'One Country, Two Governments' 'Blind Alley'

HK0706073190 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 23, 4 Jun 90 pp 6-7

[Article by Jiang Bian (3068 6708): "'One Country, Two Governments' Is a Blind Alley"]

[Text] Since the second 10 days of May, some leaders of Taiwan have made statements on many occasions, reiterating their proposition of "one country, two governments" and declaring that under certain prerequisites, Taiwan authorities can hold "government-to-government talks on an equal footing" with the mainland.

How Does "One Country, Two Governments" Come Out?

The so-called "one country, two governments" refers to "one country, two governments on an equal footing." That is to say, under the principle of one China, two sides of the strait recognize each other's government as a legitimate government on an equal footing and with independent sovereignty. As some scholars pointed out earlier that in this proposition, "one country" is false but "two governments" is true and its real aim is to resist the pattern of "one country, two systems" advocated by the CPC and to make a breakthrough in the diplomatic predicament of the Taiwan authorities so that Taiwan can return to the international community as an "independent political entity."

In fact, "one country, two governments" is not a local product of Taiwan but genuine imported "foreign goods." The place of production of "one country, two governments" is the United States. As early as 1971, while the issue on the representation of China was being debated at the United Nations General Assembly, the U.S. representative proposed a motion of dual representative for one China. This motion was virtually "one China, two governments."

The proposition of "one country, two governments" is contrary to the "Constitution" of the Kuomintang [KMT]. In the whole era of Chiang Ching-kuo, nobody dared to propose it from start to finish. With the unfolding of "elastic diplomacy," Taiwan authorities eventually and openly put this proposition on the table in the spring of 1989. As soon as this proposition came out, the media inside and outside the island broke into an uproar. In view of such a situation, to avoid the disadvantageous influence on the election of the "personnel for three categories of public offices," that was still being deliberated at that time, and on "presidential" election, Taiwan authorities had to "put on the emergency brakes," come out with a clarification, and declare that this proposition was merely for reference in the study of policies and was absolutely not a new policy of the "government."

Nevertheless, practice over the past one year shows that Taiwan authorities have temporarily shelved the proposition of "one country, two governments" in words only but are still trying to achieve this target in practical deeds.

By May of this year, all elections had concluded, the struggle for power at the upper levels of the KMT had temporarily come to an end, and "one country, two governments" had, therefore, been brought up again. On 15 May, while receiving "members of the Legislative Branch," the supreme leader in power of Taiwan said that the matter of reunification could not be discussed by the KMT and Communist Party on an equal footing but could be discussed by the "governments." On 20 May, in his "presidential" inaugural speech, Li Teng-hui officially announced that if the CPC accepted the three conditions he had proposed, Taiwan "was willing to build a communication channel between two sides on an equal footing," and "effect academic, cultural, economic, scientific, and technological exchanges in an all-around way."

"One Country, Two Governments" Sets Up Obstacle to the Reunification of the Motherland

"One country, two governments" is brought up again with a profound political background and its aim is to seek a theoretic and policy basis for Taiwan authorities to continuously pursue a policy of "elastic diplomacy," to strive for an "independent political entity," and to put off the reunification of the motherland. Should this proposition be implemented, the greatest harm would surely be brought about to the peace talks and reunification of the two sides of the strait.

For a historical reason, Taiwan and the mainland have been completely cut off from each other for 40 years. The people expect that such a situation of man-made separation can be brought to an end at an early date and the reunification of the country can be realized as soon as possible.

All patriotic propositions must proceed from this principle and be based on the necessity of bringing to an end as soon as possible the situation of separation that has already existed but not otherwise delay the cause of reunification indefinitely.

The basic connotation of "one country, two governments" is that the two sides of the strait recognize the legitimacy of each other's government, the mainland recognizes the "legally constituted authority" of the "Republic of China," and Taiwan will no longer regard the CPC as a "rebel organization." Viewing this superficially, this is conducive to the elimination of hostility and the mitigation of the tense atmosphere of the Taiwan Strait but the substantial result is that it legalizes the situation of long-term separation of the two sides of the strait and makes reunification not realizable within the foreseeable future that has been expected by the people of the two sides of the strait.

"One country, two governments" advocates that the governments of two sides possess "independent sovereignty" simultaneously and no doubt, this, in fact, creates "two Chinas" or "one China, one Taiwan," thus affording a pretext to the "Taiwan independence" elements and

enabling the "Taiwan independence" force to carry out activities on the island even more unscrupulously.

Since the beginning of last year, the activities of the "Taiwan independence" force on the island have been increasingly rampant. Of course, there are many reasons but this should be one of the main reasons that Taiwan authorities advocate "one country, two governments," pursue "elastic diplomacy" in a big way, and indulge and connive at the "Taiwan independence" elements. On the one hand, Taiwan authorities claim to adhere to "one China" and to oppose "Taiwan independence"; on the other hand, they strive for an "independent political entity" and pursue "one country, two governments" so as to make the "Taiwan independence" secure without fear. People cannot but worry about such a situation.

"One Country, Two Governments" Is a Blind Alley

Last year, when "one country, two governments" just came out, it met with the attacks launched by the media inside and outside the island. Taiwan authorities are now harping on the same string this time and have met with the criticism and opposition of the persons with breadth of vision very quickly.

The commentaries of some Hong Kong newspapers and journals say that on the issue of "one China," people in authority of Taiwan now fall behind Chiang Ching-kuo and put off the matter of reunification indefinitely. A newspaper in Taiwan published an editorial, point out: "One country, two governments" may simply add obstacle to the relations between the two sides of the strait, thus offsetting and reducing the desire and motive force for contacts and talks between both sides." Some "members of the Legislative Branch" of Taiwan hold that "one country, two governments" is an act according to "one's own wishful thinking" and an act of "playing cards not according to the rules of the cards." Some scholars of Taiwan also declare that it is very hard to carry out the pattern of "one country, two governments."

No doubt, "one country, two governments" is a blind alley.

First, "one country, two governments" violates the fundamental criterion of the international law.

"One country, two governments" advocates that two governments on an equal footing enjoy same independent sovereignty. According to the international law, the sovereignty of a state possesses unity and inseparability. So far as its structure and form are concerned, a country may a single country or a federation. Whatever form it may be, it has an essential condition, namely, a supreme central government that exercises sovereignty against the other countries. "One country, two governments" has a hard "nut" to crack: If it is "one China," it is impossible to have two "governments" with same independent sovereignty; conversely, if they are two "governments"

with independent sovereignty, "one China" does not exist but there are "two Chinas." Both cannot be rational at the same time.

Second, "one country, two governments" lacks a historical basis, still less a realistic possibility.

The situation of coexistence of several separatist governments appeared in the modern history of China before but it cannot afford any excuse for "one country, two governments" because the international community only recognizes one of the governments that coexist. Only this government can exercise sovereignty in the international affairs on behalf of China.

According to international law, the "Republic of China" ceased to exist from October 1949 and the Central People's Government of the People's Republic of China has become a main body representing China according to the international law. There is one China, namely, the People's Republic of China, and Taiwan is an inseparable part of the Chinese territories and is only a province. The government of the People's Republic of China is the only legitimate government representing all Chinese people. This is an universally acknowledged fact that is recognized by the United Nations and some 130 countries throughout the world, independent of the will of Taiwan authorities.

Third, the CPC will absolutely not agree on "one country, two governments."

The CPC has always advocated that the KMT and Communist Party should hold talks on an equal footing, the reunification of the country should be realized as soon as possible on the basis of the conception of "one country, two systems," and any proposition that is likely to lead to "two Chinas" should be opposed to. The essence of "one country, two governments" is to strive for an equal and independent political entity and in fact, to create "two Chinas." The CPC will absolutely not recognize this.

Fourth, it is, in the final analysis, the will of the people of the two sides of the strait that plays a decisive part in achieving the reunification of the country. "One country, two governments" wants to legalize the situation in separating Taiwan from the mainland, to put off reunification, and in fact, to create "two Chinas." This runs counter to the general desire and basic interest of the people of the two sides of the strait and will by no mean enjoy the people's support.

It is indeed not easy that over the past 10 years, the relations between the two sides of the strait have developed to what they are now. Both sides must continue to make efforts to push the situation forward along the orientation favorable to reunification but not set up man-made obstacles and add unnecessary difficulties. It is hoped that Taiwan authorities will really take the stand in the interests of the Chinese nation not only in words but also in deeds, abandon the erroneous proposition of "one country, two governments," and do practical things for the cause of the reunification of the motherland.

Mainland Diplomat Reportedly Defects in Canada

OW0706160290 Taipei CNA in English 1433 GMT
7 Jun 90

[Text] Ottawa, June 6 (CNA)—The Communist Chinese embassy here confirmed Wednesday that a staffer has defected with his wife on the eve of the first anniversary of the Tiananmen Square massacre.

Embassy Press Secretary Tao Guo-chen [Tao Guochen] said third secretary Du Yun-sheng [Du Yunsheng], who is in charge of consular affairs, "left without saying goodbye" last week. He refused to elaborate the event.

The defection increased the number of the embassy's defectors to six since the bloody crackdown of pro-democracy demonstrators in Peking last summer.

Sources closed to the embassy said Du, aged about 35, was stationed in Ottawa in 1987. His current stint would have expired in May, 1991.

Du's wife, Wang Shu-jie [Wang Shujie], was a medical doctor at Peking's Tung Ren Hospital before coming to Ottawa three years ago. She worked at the embassy without diplomatic status.

The two defectors left behind a five-year-old child on the Chinese mainland.

A personal friend of Du disclosed that Wang Shu-jie got pregnant last year but was forced to undergo abortion because of communist China's "one-child policy".

ROK-Mainland China Possible Ties Investigated

OW0706040190 Taipei Domestic Service in Mandarin
2300 GMT 4 Jun 90

[From the "National Hookup" program]

[Text] Foreign Ministry spokesman (Huang Hsin-pi) said on 4 June that our embassy in the ROK is looking into the allegation that the ROK will send a special envoy to hold talks with the Chinese Communist regime on the establishment of diplomatic relations.

Foreign news reports from Seoul have said that the ROK is planning to send a special envoy to mainland China to discuss the establishment of diplomatic relations.

(Huang Hsin-pi) said that the Foreign Ministry keeps constant and close contacts with our embassy in the ROK and does not wish to comment on this matter for the time being.

Taipei Marks Anniversary of Tiananmen Incident

OW0606070290 Taipei International Service
in English 0200 GMT 5 Jun 90

[Text] Representatives of scores of civic organizations braved drizzling rains on Sunday at the square of the Chiang Kai-shek Memorial Hall in Taipei to commemorate those killed by Chinese Communist troops during last year's June 4th massacre. A makeshift shrine was constructed at the memorial to offer incense; and those who attended the activity signed the [words indistinct] in remembrance of those who died one year earlier. Meanwhile, the President of the Chinese Association for Human Rights here, Han Lih-wu [Hang Li-wu], called on the free world to aggressively support mainland dissidents abroad in the hope that it will help democratization take root in China.

Vietnamese Group Meets Civil Aviation Chief

OW0706035490 Taipei CNA in English 0236 GMT
7 Jun 90

[Text] Taipei, June 7 (CNA)—A delegation from the Vietnam-ROC [Republic of China] Industrial and Commercial Association visited the Civil Aeronautics Administration [CAA] to exchange views on the signing of an aviation pact between the two countries.

CAA Director Chen Chia-ju told Le Dinh Nghiep, chairman of the Vietnamese association, that air links between the two countries must be authorized by the two governments.

"The efforts of your association and its Republic of China counterpart can only serve as catalysts for the eventual realization of air links," Chen said.

Jui Cheng-kao, Le's Chinese counterpart, said he hoped relations between the two countries would become close and friendly as a result of the signing of the aviation pact between the two civic associations.

China Airlines [CAL], the ROC's national flag-carrier, was interested in flying the Taipei-Vietnam route because of Vietnam's great tourism potential.

If air routes could be established between Taiwan and Vietnam, the ROC could be Northeast Asia's "door to Vietnam," analysts here reported.

Eva Airways, another ROC air liner [as received] capable of flying international routes, was believed to have taken the initiative in establishing aviation cooperation with Vietnam.

Eva officials said they believed the Government would "equally divide" passenger and cargo loads for the proposed Taipei-Vietnam route between airlines of the two countries.

"We are not worried that direct flights between here and Vietnam will be dominated by CAL," they affirmed.

Hong Kong

Shooting at XINHUA Deemed 'Very Serious'

HK0706013390 Hong Kong HONGKONG STANDARD
in English 7 Jun 90 p 1

[Text] China has made a "solemn representation" to the British government after a shot was fired at a building owned by the XINHUA. Beijing's de facto embassy in Hong Kong.

The incident occurred around the June 4 anniversary of the Tiananmen crackdown on the pro-democracy movement.

Fired from a "powerful handgun", the bullet shattered an 11th floor window of the new 22-storey building next to XINHUA's headquarters at Queen's Road East in Wan Chai. No one was injured.

The director of the Hong Kong branch of XINHUA, Zhou Nan, last night said the incident was "very very serious".

"The Chinese government has lodged a solemn representation to the British side concerning this matter.

"We are seriously concerned with how the matter will develop."

Answering questions, Mr Zhou said: "Don't you think it's a violent act? Is it a peaceful or a violent act?"

Acting Secretary for Security Ian Strachan said the Government is investigating the incident. "We are looking into it as a matter of urgency."

And the Governor, Sir David Wilson, said last night: "It will be investigated and will be dealt with."

A police spokesman said: "We have found a fragment of the bullet head. It's a real bullet but we don't know at this stage the calibre."

He said police believe the shooting occurred between last Friday and Monday, but XINHUA officials said it happened on Sunday or Monday.

According to the Wan Chai district police commander, Senior Superintendent Ian Nicholson, who is investigating the shooting incident, "XINHUA has not asked for any protection" from the police.

He said following XINHUA's report on Monday, the rooftop of the Tang Shiu Kin Hospital and the Tang Chi Ngong Specialist Clinic, opposite the new XINHUA building, were searched but nothing was found.

"We are still investigating the case. We don't know at this stage what type of weapon was used. It could either be a handgun or a rifle," said Mr Nicholson.

He said police were checking if the shooting was linked to an incident involving a nearby building on Oi Kwan Road last December. "It was similar to the XINHUA one. The calibre of that (Oi Kwan Road) one was not fully established...it could be .357 or .38.

"At the moment the motive for the XINHUA shooting is totally unknown.

"But it's highly unlikely that it was an act of terrorism because it's an empty room on the 11th floor of an unoccupied building," he said.

A police spokesman said they are treating the XINHUA report as criminal damage.

XINHUA officials considered the shooting a "serious incident".

One official, who declined to be named, said the possibility of political motivation should not be ruled out.

"Shooting at a government's representation in any place is serious," he said. "Until the truth is established, we cannot speculate on the motivation.

"But it is inappropriate at that stage to rule out the possibility that the shooting was politically motivated.

"It is the responsibility of the Hong Kong Government to make a full investigation," he said.

THE HONGKONG STANDARD was told XINHUA had stepped up its security measures because of the anniversary of the June 4 crackdown.

XINHUA and other mainland establishments in Hong Kong have recently received threatening letters and phone calls.

After the discovery of the bullet by XINHUA officials, an internal memo was circulated to employees alerting them to the shooting.

Referring to the stepping up of security at buildings and around its officials, the XINHUA officials said their internal security could not prevent them from being shot from the outside.

However, he said XINHUA would not reduce official duties. "our public activities will carry on as usual."

A Government official, who also asked not to be named, said there was no evidence the shooting was politically motivated.

He said they did not believe politics, the June 4 anniversary demonstrations or students had any role in the shooting.

If the building had been hit twice then "we would be very worried", he said.

Zhou Nan Warns Protesters Against Subversion

HK0706013990 Hong Kong HONGKONG STANDARD
in English 7 Jun 90 p 1

[Text] China's top representative in Hong Kong, Mr Zhou Nan, warned yesterday that the young Hong Kong people who commemorated the first anniversary of the June 4 crackdown may have been manipulated by "External forces".

"The compatriots and students in Hong Kong should think it over. The public should stay alert," Mr Zhou said.

Throughout the world, he said, young people are easily influenced and can easily be made use of by others.

Mr Zhou, the director of the Hong Kong branch of the XINHUA News Agency, said he agreed with the view put forward in a newspaper article that the students who took part in the Beijing demonstrations of last year were manipulated by different political forces.

He said this could also apply to the youth of Hong Kong.

"The young in Hong Kong are lovely. But are there also some external forces which tried to make them more emotional so as to achieve certain purposes?" he asked.

More than 100,000 people demonstrated at a mass rally and candlelight vigil in Hong Kong to mark the anniversary of June 4.

Mr Zhou said the merits of young students were purity, zeal and bravery. But their shortcomings were lack of experience and susceptibility.

"They might be used by some people to achieve certain purposes," he said.

Asked about the "external forces", Mr Zhou said: "You go and look for yourself. Maybe you know more than I do."

Mr Zhou was speaking to the press after attending a cocktail reception held by a kaifong organisation.

He praised kaifong groups for their concern for social welfare and urged them to continue to encourage people to familiarise themselves with the Basic Law and to prepare for its implementation in the transitional period.

He said the prosperity and stability of Hong Kong could not be separated from the stability of China.

Xu Jiatun Causes Tension in CPC Intelligence

*HK0606144490 Hong Kong TANGTAI in Chinese
No 26, 26 May 90 p 8*

[Article by Wan Li-hsing (8061 6849 5887): "An Earthquake for the CPC's Intelligence System in Hong Kong"]

[Text] Since Xu Jiatun fled the country, communist China has taken on a low-key attitude in dealing with the case in public, while internally the situation has been very tense. It is estimated that, in the near future, communist China's intelligence department in Hong Kong will face a large-scale reshuffle.

The Three Major Intelligence Systems in Hong Kong

According to knowledgeable sources, the three major systems of the party, the government, and the Army have all separately stationed intelligence personnel in Hong Kong. Those of the military system belong to the General Staff Headquarters (the second and third divisions under the General Staff Headquarters are specially engaged in

intelligence gathering and other departments not specially engaged in intelligence gathering also have people stationed in Hong Kong); those of the governmental system belong to the Ministry of State Security and the Ministry of Public Security; and those of the party system belong to the Investigation Department and International Liaison Department. Of the three major systems, the governmental system has the largest number of people. However, it is still a puzzle as to the actual number of intelligence personnel of communist China stationed in Hong Kong.

There are three reasons which contribute to a major personnel reshuffle in the intelligence system as a result of Xu Jiatun's flight from China:

Disciplinary Actions To Be Taken Against Those Neglecting Their Duties

First, due to the fact that the intelligence system was unable to detect the incident of Xu Jiatun's flight before its occurrence, it had to be responsible for the incident. It is believed that this will lead to some intelligence personnel being recalled. In fact, as Xu Jiatun himself was quite familiar with the operations of the intelligence system here, it was very easy for him to evade the investigation of the intelligence personnel.

Those Who May Have Disclosed Their Identity Will Be Transferred

Second, due to the fact that Xu Jiatun was familiar with communist China's intelligence work in Hong Kong (including organizations, personnel, methods of contact, intelligence channels and modes of operation, etc), communist China will certainly prepare for the worst with respect to his "leave without bidding farewell," (although he has repeatedly indicated that he will not seek political asylum.) that is, regarding this incident as a serious breach of confidentiality. In other words, the whole intelligence system will be exposed. Under such circumstances, communist China will be forced to conduct a major change of the whole intelligence system, including:

- Personnel reshuffle: People who may have disclosed their identity or those with very special identity will be recalled to China.
- Change in the methods of operation: In particular, the method of getting in touch with contacts, the system of intelligence transmission and reception, and the method of detection will all be changed.
- Liaison with overseas will, in all likelihood, be affected in the short term.

Increase in the Number of Personnel

Third, communist China will greatly increase the number of intelligence personnel stationed in Hong Kong in future. After the 4 June incident, there have been many pro-democracy activists fleeing the country through Hong Kong and Macao, which has already caused much dissatisfaction to communist China, which is of the opinion that its strength in Hong Kong is weak.

Since October last year, there has been a steady increase of personnel coming to Hong Kong and Macao. After Xu Jiatun's flight, in order to reinforce supervision over cadres in Hong Kong, and keep up protection of departments of a confidential nature in Hong Kong, it is imperative to increase the number of personnel despatched to Hong Kong.

CPC Treats Case 'Cautiously'

HK0606081190 Hong Kong TANGTAI in Chinese
No 26, 26 May 90 pp 9-10

[Article by I Hua (0181 5478): "The CPC Treats Xu Jiatun's Case Cautiously"]

[Text] Though Xu Jiatun's departure is a deep disgrace to the CPC, it has decided, after careful deliberation, to treat the case in a low-key manner, announcing to other countries that Xu was on a trip for a "tour and rest" and telling its members to "sum up experiences and draw a lesson." The main reason is that the CPC does not want to irritate Xu Jiatun too much, lest he be compelled to stay for good by seeking "political asylum" or otherwise in the United States. The United States would then effortlessly secure information that it would otherwise find hard to come by.

Xu Jiatun Is of Great Value As an Information Supplier

As someone in the know points out, Xu Jiatun is of great value in terms of the information he could provide, mainly in the following areas.

I. Military affairs:

Xu Jiatun spent a lot of time working in the eastern part of China and is therefore very familiar with the CPC's defense arrangements there.

Before liberation, Xu belonged to the "3d Field Army," one of the five major field armies of the CPC. Its commander and political commissar was Chen Yi. Su Yu was deputy commander and second political commissar, and the first deputy political commissar was Tan Zhenlin. There were four formations (the 7th, 8th, 9th, and 10th Formations) in the "3d Field Army." Xu Jiatun belonged to the 29th Army in the 10th Formation (commander being Ye Fei and political commissar Wei Guoqing). Xu was political commissar of the 87th Division of the 29th Army. A descendant of the Third Military Subarea in central Jiangsu, this division placed its troops in central and southern Jiangsu Province. Later, Su Yu became chief of the general staff of the CPC Central Committee Military Commission and Ye Fei was made Navy commander. Xu had extremely close ties with both of these who had been his superiors, and such ties enabled Xu to have a good knowledge of the Army's inside information.

Shortly after liberation, Xu Jiatun was appointed secretary of the Fuzhou City CPC Committee and, afterward, head of the Industrial Department of Fujian Province. In

1955, he was transferred back to Jiangsu. He took up a series of regional party and government leadership posts, such as secretary of the Nanjing City CPC Committee and secretary of the Jiangsu Provincial CPC Committee. His post in the Army was political commissar of the Jiangsu Provincial Military District, which is controlled by the Nanjing Military District and forms the forefront of China's national defense. Militarily speaking, this district has the following features.

Military Secrets at the Forefront of National Defense

1. Defense in the Taiwan Straits: In the 1950's, the Taiwan Strait was one of the most explosive areas. In those years, preparations for "liberating Taiwan" were all that Fuzhou Military District had to do.

2. Shanghai Garrison: Shanghai has always been China's biggest economic center, so defense for Shanghai is also an important concern. Though its defense was not Xu's responsibility, many of the rear-echelon service supply stations for Shanghai Garrison are in Jiangsu Province and some military railways also run to Shanghai through Jiangsu Province.

3. Longhai railway is the artery linking up the eastern and western parts of China. After it was fully open to traffic, the defense of its eastern section and the end near the sea (in Lianyungang) became the responsibility of the Xuzhou Military Subarea, Jiangsu Provincial Military District. To guarantee the operation of the entire Longhai line, the Nanjing Military District set up powerful installations to check an enemy's advance, if any, in the Xuzhou Military Subarea.

4. Navy development: China's Navy was founded in this military district. Navy Commander Ye Fei was a close colleague and bosom friend of Xu. Jiangsu made great contributions in manpower and material to the building of all Navy bases. Therefore, Xu Jiatun is very familiar with Navy development.

5. Research and testing of guided missiles: In eastern China there are some research and test bases of considerable size for surface-to-surface and antisubmarine missiles.

As this region is in the forefront of national defense and is vital to the defense of Shanghai, to the protection of the arterial Longhai line, and to the maintenance of military balance in the Taiwan Strait, there are many important quarters, military bases, military supply stations, military railways, and military ports. A great many of these installations are situated in Jiangsu Province, of which Xu Jiatun used to be in charge. Therefore, one may say that Xu Jiatun is very familiar with conditions at the forefront of China's national defense.

II. Intelligence work:

Shortly after liberation, Xu Jiatun joined the CPC intelligence channel. Not only did he take part in the work in the CPC's early stage intelligence agency, the "CPC Social Department [zhong gong she hui bu 0022 0364 4357 2585

6752],” but he also joined the CPC’s international intelligence, the “Committee For Guiding International Activities [guo ji huo dong zhi dao wei yuan hui 0948 7139 3172 0520 2172 1418 1201 0765 2585].” In Hong Kong, he coordinated the intelligence work of various “lines” planted in Hong Kong by the CPC. This is why Xu is closely connected to the CPC’s intelligence channel.

Xu’s Connections With the ‘Social Department’

As for collecting domestic intelligence, when he was in the Third Military Subarea (where he was before the 3d Field Army was formed; the commander was Chen Yusheng and political commissar Li Gan) in central Jiangsu, Xu Jiatun worked under Zhou Shan, head of the social department and concurrently director of the organization department of the Third Military Subarea. Zhou Shan’s influence led his men to take part in confidential or intelligence work: Chen Yusheng was, after liberation, transferred to the post of vice secretary-general of the Jiangsu Provincial People’s Committee (later called the provincial people’s government), in charge of the Second Office (which deals with confidential matters) of the Jiangsu Provincial CPC Committee; Li Gan was made vice secretary-general of the Shanghai Municipal CPC Central Committee and concurrently director of the Shanghai Municipal Bureau of Archives. This is to say that Xu Jiatun forged a profound bond with domestic intelligence a long time ago.

Xu’s Connections With the CPC’s International Intelligence

As for collecting international intelligence, Xu Jiatun headed the committee for guiding international activities of the Nanjing City CPC Committee in 1955 and the committee for guiding international activities of Jiangsu Provincial CPC Committee in 1956. This organization had direct contacts with Cominform. Though the CPC did not join Cominform headed by Stalin, it nevertheless had unofficial contacts with it, which was one of the purposes of founding the “Committee For Guiding International Activities.” Through this organization, Xu Jiatun acquired large amounts of internal information about the countries in the socialist camp and, more importantly, found out how these communist countries conducted their intelligence work in Western countries.

Coordinating Intelligence Work in Hong Kong

When in Hong Kong, Xu Jiatun coordinated the intelligence work of various CPC departments in the territory. The party, government, and military authorities of the CPC all have their intelligence units in Hong Kong. None is subordinate to any other: They only maintain single-line links with their respective agencies. But as the top CPC leader in Hong Kong, Xu Jiatun was empowered to coordinate the interests of, rather than directly lead, the various intelligence organs set up by different agencies. Therefore, he had a good knowledge of the channels of information, operations, and organizational affiliations of these units.

III. The Hong Kong issue:

The Hong Kong issue is a major CPC concern that they have been trying to settle for the past 10 years. After the Sino-British negotiations started, the successor to Wang Kuang as director of the Hong Kong Branch of the XINHUA News Agency turned out to be Xu Jiatun, former secretary of the Jiangsu Provincial CPC Committee, instead of Ke Hua, Chinese ambassador to the United Kingdom, who had been selected earlier. This 11th-hour change came very suddenly. The main reason was that Xu Jiatun had got involved in Sino-British bargaining on the question of Hong Kong quite some time before when he was head of the committee for guiding international activities of the Jiangsu Provincial CPC Committee. This was a secret known to few. In early May 1967, a civil disturbance “against British rule and atrocities” broke out. The head of British military intelligence, Walter Graham, issued an order to investigate the activities of Xu’s committee in Hong Kong. In an emergency operation, the CPC Central Committee Military Commission sealed relevant archives in the No. 2 Historical Archives of China in Nanjing on 22 May and decided to put the archives under military control from that day on. This incident showed that Xu Jiatun had got involved in the bargaining between China and Britain a long time before and had a good knowledge of the secrets thereof. This explains why the central authorities decided on him as successor to Wang Kuang at a critical moment when China and Britain started negotiations on the future of Hong Kong. Therefore, one can say that Xu Jiatun is the one who knows best the whole process of decisionmaking by the CPC on the question of Hong Kong and other deals between China and Britain for settling this issue.

IV. Xu’s position in the party and the government:

Xu Jiatun was a member of the 11th and 12th CPC Central Committees, the Jiangsu Provincial CPC Committee secretary, a Central Advisory Commission member, and a NPC Standing Committee member. His high position has given him a good knowledge of the CPC mode of thinking, decisionmaking procedures, factional strife, and personnel complications, and CPC relations with other countries and how it actually views international issues. In other words, he knows well how the CPC brain works. This points to Xu’s value in terms of the precious information he could provide.

V. The question of high-level officials’ children:

In the course of reform and opening up in recent years, the children of high-level officials teamed up and came to Hong Kong. With few exceptions, they all had some shady experiences in finance or conduct to different degrees. Xu Jiatun knew all about this. Most of them had ties with top leaders. Once their problems are exposed, the leaders concerned will definitely be embarrassed.

Weighing all the factors, the CPC does not dare to take a harsh stand against Xu Jiatun.

PAI HSING Director Interviewed

HK0606135490 Hong Kong TANGTAI in Chinese
No 26, 26 May 90 pp 5-6

[Report on telephone interview with Lu Keng, director of Hong Kong PAI HSING by Kao Lu-chi (7559 7627 0370); 20 May: "Zhu Qizhen, Chinese ambassador to the United States, Advised Xu Jiatun To Return to China but Was Rejected"]

[Text] Great Master [courtesy title to address a Buddhist monk] Hsing Yun from Hsilai Monastery in Los Angeles called a news conference today to explain Xu Jiatun's "runaway." Lu Keng, director of Hong Kong PAI HSING, also attended the news conference. Mr. Lu Keng was the one who went to the San Francisco international airport to welcome Xu Jiatun on behalf of Great Master Hsing Yun. We may say he is well-informed on the inside story of this case. This reporter made a telephone interview with him on the night of 20 May.

[Lu-chi] Big brother Lu, this is Lu-chi. May I interview you for a moment?

[Lu Keng] Only 10 minutes.

[Lu-chi] Why has Xu Jiatun left?

[Lu Keng] This reflects a top-level struggle. The conservative forces are still very obstinate. Under such circumstances, he had no alternative but to leave, because the conservative forces were exacting pressure on him. Qian Jiaju put it well: "Better fly far and high than sitting still waiting for death." This can help sum up the case.

[Lu-chi] You are playing a certain role in this respect. But in the beginning you did not play any role.

[Lu Keng] According to the concept of the CPC or Mao Zedong's saying, "external factors are the conditions for a change whereas internal factors are the bases for a change." Without internal factors, external factors cannot become operative.

[Lu-chi] You are right. But conditions are very important for external factors to become operative through internal factors. Hsilai Monastery has accommodated so many pro-democracy activists. What is Hsing Yun's personal consideration?

[Lu Keng] He does not benefit anything from it, of course! He only believes in the saying "the Buddhist light illuminates everything and Buddhism is full of kindness."

[Lu-chi] You have also done a lot. Is it out of consideration for justice?

[Lu Keng] Let me tell you, I have confidence in democracy. I am not saying I have made a contribution, I am just supporting democracy.

[Lu-chi] Your contribution is great. Some people describe you as the American Sen Kin-fen.

[Lu Keng] This is kidding!

[Lu-chi] TANGTAI recently published an article by He Mingsi, former secretary general of Hong Kong XINHUA, saying that Xu Jiatun "worked for personal gain." What do you think?

[Lu Keng] I do not think he was right in saying that. Why? He Mingsi's views suggest Xu Jiatun did not give him an important position. He had resentment. This is comprehensible. On the other hand, he had better relationships with Wang Kuang than with Xu Jiatun. Maybe he was given an important position by Wang Kuang during his office but was cold-shouldered after Xu Jiatun assumed office. Comparing the two, he had resentment.

[Lu-chi] Was there a need for TANGTAI to publish his article?

[Lu Keng] That does not matter. It was good to publish it. But there is one point I would like to mention. He Mingsi's article collaborated with the diehards in discrediting Xu Jiatun. Objectively, it served their purpose. But subjectively, he might not think that way. At today's news conference, I said there are all sorts of comments in Hong Kong on the Xu Jiatun case. The most important reason is Li Peng and the diehards want to settle accounts with Xu Jiatun. The CPC always uses this method to handle people: If they can topple you politically, they will do so; if they cannot topple you politically due to a lack of evidence or something to be relied on, they will discredit you by finding fault with your economic situation. They might find fault with Xu Jiatun on political issues, but now they cannot do it because Xu Jiatun has gone. Liang Xiang was a typical example. They wanted to discredit Xu Jiatun in economic matters, so Zhou Nan closely cooperated with Li Peng and secretly gathered information on Xu Jiatun in an attempt to accuse him of economic problems. So he left. Hong Kong people know Xu Jiatun did well while he was in Hong Kong, and Zhou Nan knows this, too. Particularly during the 4 June incident, he did quite well. Therefore, Hong Kong people appreciate him very much. If Zhou Nan said Xu Jiatun took a bourgeois liberal or antiparty stand on the 4 June incident or wavered on it, Hong Kong people would say Xu Jiatun was right! The conservative forces and the massacre must be opposed! But he dared not say that. Now Xu Jiatun has gone, what can they do to him? They are trying to discredit him in economic matters. He Mingsi's article precisely served the purpose.

[Lu-chi] You are familiar with Xu Jiatun. What do you think of him?

[Lu Keng] I do not think he is involved in economic matters. As far as I know, they left Hong Kong with a little more than \$10,000. If he had much money, his son, his son's wife, and he would not have left with only a little more than \$10,000.

[Lu-chi] Ten thousand U.S. dollars is not a small amount of money!

[Lu Keng] His son and son's wife had worked in Hong Kong for many years. What does \$10,000 amount to? Xu Jiatun could have embezzled \$1 million if he wanted to, to say nothing of \$10,000. But they only carried a little more than \$10,000, and this money belonged to his son and son's wife. His son did some business and his son's wife was working. What does this little money amount to in Hong Kong? I hold him in esteem in this respect. Xu Jiatun is clean in money matters.

[Lu-chi] During the 4 June incident, Great Master Hsing Yun asked you to carry a letter for Yang Shangkun via Xu Jiatun. What was his response at that time?

[Lu Keng] He delivered the letter immediately.

[Lu-chi] You have been with Xu Jiatun these few days. What is your impression?

[Lu Keng] I think he is quite composed. Unlike others have imagined, he is not excited because he has run away. Maybe he much experience. He had much tempering in both political and military battlefields. He joined a guerrilla war when he was in the Third Field Army a very long time ago. He was divisional political commissar between the late thirties and the early forties.

[Lu-chi] When Ambassador Zhu Qizhen met him, what was his reaction?

[Lu Keng] They met yesterday. As expected, of course, Zhu Qizhen advised him to go back, but he tactfully refused.

[Lu-chi] Do you know his future plans?

[Lu Keng] He did not say, and I did not ask. It is impolite to ask him about this.

[Lu-chi] Yes, it is. But Hsing Yun said Xu Jiatun is ready to engage in some research in the States, to study American capitalism.

[Lu Keng] Right, right. He thinks this way. Since he has this idea, he will not leave in the near future.

[Lu-chi] In such cases, how is he going to make a living?

[Lu Keng] Hsing Yun is providing him with free accommodation!

[Lu-chi] People say he is not staying in Hsi Lai Monastery.

[Lu Keng] Still, Hsing Yun pays for the expenses!

[Lu-chi] What about meals? Anyhow, eating does not cost much in the States.

[Lu Keng] The most important problem is housing. Hsing Yun has many disciples; they respect him very much and are willing to vacate their apartments for Xu Jiatun. Mr. Qian has stayed there for almost a year, and he has not spent a single cent. Mr. Qian is staying in a small villa, as is Xu Jiatun. Hsing Yun has got 1 million disciples in Taiwan, and about 100 of them are rich. There is one rich disciple among every 10,000. He is providing Mr. Qian with free accommodation. His rent is \$1,500 per month,

paid by the host together with water and electric bills, not at the expense of his disciples. Of course, he can also accommodate Xu Jiatun free of charge.

[Lu-chi] What about telephone bills?

[Lu Keng] At their own expense.

[Lu-chi] They do not have so much money!

[Lu Keng] Mr. Qian carried \$20,000 dollars, more than Xu Jiatun carried. He got much from contribution fees. I also have a suite. I enjoy free meals and housing and only pay for my telephone bills.

[Lu-chi] All vegetarian diets?

[Lu Keng] Of course. But you can cook some meat in the villa you stay in, if you like to. Hsing Yun is quite open-minded.

[Lu-chi] Hsing Yun is accommodating so many pro-democracy activists. Can he go to the mainland in the future?

[Lu Keng] I think he can. He does not engage in politics but is showing human feelings for others. If Yang Shangkun comes here, he will also accommodate him. I am only supposing. Yesterday, Zhu Qizhen came to visit Hsing Yun. Hsing Yun "treated him with courtesy." After meeting Xu Jiatun yesterday, Zhu Qizhen went to visit Hsing Yun.

[Lu-chi] What did he say?

[Lu Keng] I do not know. I was not there. I stayed at Hailun's and did not return until this morning. So much for now.

[Lu-chi] Alright. I will write out the full text and publish it. Is there any problem?

[Lu Keng] No problem, no problem!

[Lu-chi] Thank you!

Shanghai Mayor Zhu Rongji To Visit Hong Kong

HK0706125190 Beijing ZHONGGUO XINWEN SHE
in Chinese 0956 GMT 7 Jun 90

[Report: "Shanghai Delegation Led by Mayor Zhu Rongji To Visit Hong Kong"—ZHONGGUO XINWEN SHE headline]

[Text] Shanghai, 7 Jun (ZHONGGUO XINWEN SHE)—A Shanghai economic delegation led by mayor Zhu Rongji is to leave Shanghai in the morning of 8 June for a visit to Hong Kong.

During the visit, the delegation will attend the symposium on "Shanghai's economic development in the 1990's—Prospects for Shanghai-Hong Kong economic cooperation" sponsored by the Hong Kong Shanghai Industrial Corporation and carry out extensive contacts

and exchanges with personages from Hong Kong's economic, trade, financial, and industrial circles. To have a better understanding of Hong Kong's economy, foreign trade, and infrastructure construction, the delegation will also have a look at Hong Kong's urban facilities which include ports, mass transit railway, and housing, and financial and trade centers.

Wang Daohan, former mayor of Shanghai and now advisor to the municipal government, will be advisor to the delegation and Li Chuwen, former deputy director of Xinhua News Agency Hong Kong branch and now advisor to the municipal government, will be deputy head of the delegation. The delegation is composed of the responsible persons from the municipal Planning Commission, Economic Commission, Foreign Economy and Trade Commission, Foreign Investment Commission, Construction Commission, Hong Kong Shanghai Industrial Corporation, Science Commission, and the People's Bank of China Shanghai branch.

Figures from the economic and trade circles of Shanghai and Hong Kong have paid close attention to Zhu Rongji's visit to Hong Kong. They believe that the visit will not only further promote and develop the already established good relations of cooperation between Shanghai and Hong Kong, but will also be of great significance to the development of Pudong, revitalization of Shanghai, and the prosperity of Hong Kong.

Number of PRC Illegal Immigrants Doubles

HK0606014790 Hong Kong SOUTH CHINA
MORNING POST in English 6 Jun 90 p 3

[By Jennifer Cooke]

[Text] Police are concerned about a rise in the number of Chinese illegal immigrants coming to Hong Kong to look for work.

The Deputy Director of Operations, Mr Brian Wigley, said the territory was always the subject of amnesty rumours, the most recent connected with the first anniversary of the June 4 massacre.

But he stressed that the government remained strong in its resolve to repatriate those caught at the land and sea borders and prosecute and imprison those found working illegally.

Last month saw a daily arrest rate of 85—double that for the same period last year and almost 20 more than the highest daily rate for any month last year.

And early indications this month are that the arrest level is still climbing.

A total of 120 illegals were caught in the 24 hours to 5 am yesterday, 37 at sea and 83 on land, bringing the total for the first five days of the month to 449.

"We are concerned that the more work we do arresting them and transporting them back, more keep coming," Mr Wigley said.

While the Army, police and immigration officials are responsible for detecting illegals, help is also given by the public in spotting them in residential areas. Some illegals surrender to the authorities when they fail to find work.

"The problem in China is the lack of work because there is so much unemployment and the economic situation is quite bad," Mr Wigley said.

"Some are so desperate to earn money that even if they work for a few months and go to prison when caught they can still give some money to their families."

Up to the end of May this year 8,875 illegals had been arrested compared with 4,170 for the same period last year.

Macao

Basic Law Drafting Group Opens Meeting in Beijing

OW0706111490 Beijing XINHUA in English
0823 GMT 7 Jun 90

[Text] Beijing, June 7 (XINHUA)—The fourth meeting of the Committee for the Drafting of the Basic Law of the Projected Macao Special Administrative Region (MSAR) opened here today.

Ji Pengfei, chairman of the committee, speaking at the opening ceremony of the three-day meeting, said that since its third meeting last November, the committee's work has entered the stage of drafting the articles of the basic law.

Ji reviewed the third meetings held in Hangzhou last May by each of five committee groups which are working on special topics. He said the groups reached consensus on the guiding principles and main content for drafting all chapters of the basic law.

The current meeting, Ji said, is being held to discuss and examine their work reports, and to discuss and look for solutions to questions on which differing views exist.

Ji said steps to be taken in the drafting work in the second half of 1990 and the first half of 1991 will also be worked out at the meeting. Preliminary discussions will be held on creating a design-selection process for the regional flag and emblem.

Ji spoke highly of the cooperation between the basic law drafting committee and the basic law consultative committee in the past year.

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DATE FILMED

8 June 1990

